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No. 33654.

HONG KONG, FRIDAY, MAY 2, 1947.

WINDSOR HOUSE

Price: 20 Cents.

INLAND REVENUE BILL GOES THROUGH

Three Unofficial Members Vote Against Measure

Two Years Later: Not Murder "Not Last Time Taxation Will Be Debated"

When the Inland Revenue Bill (the so-called Income Tax Bill) came up for its third reading before the Legislative Council yesterday afternoon, the Hon. Mr. T. N. Chau called for a division. Only three members voted against the Bill—the Hon. Mr. T. N. Chau, Dr. S. N. Chau and Mr. Leo d'Almada. The remaining Unofficial Members voted with the Official Members. The Bill was read a third time and now merely awaits the signature of His Excellency the Governor, Sir Mark Young, K.C.M.G.

Although the other four Unofficial Members voted with the Government, there was throughout most of their speeches a strong sentiment that income tax in Hong Kong should be postponed for a year. In his speech winding up the debate, H.E. the Governor said that "we are closing no door."

"I do not myself suppose, and I do not think that any member of this Council can suppose, that the Legislative Council of Hong Kong is today, for the last time debating, considering and deciding what method, as well as what rate of taxation, is best suited to the needs of the Colony... the introduction of other methods of taxation and even the modification of this method of taxation will fall to be discussed and decided for the Hong Kong of the future by its future legislature."

MR. D. F. LANDALE

After the Financial Secretary had moved the second reading of the Bill, the Hon. Mr. D. F. Landale said:

"When you referred the Draft Bill imposing a tax on earnings and profits which was published in the Gazette on March 7th to the Taxation Committee, expanded by the inclusion of all Unofficial members of this Council, the Bill was considered at one meeting only."

"At this meeting certain Unofficial members of the Council submitted their views in writing and as far as I am aware the substance of this written opinion has never been made public. As it sets out briefly my views I would like to repeat it:

"Hong Kong is a free port dependent for its existence on its transit trade and to survive it is necessary for it to be in a position to provide cheap services. While we agree in principle that direct taxation should be imposed it is, in our view, imperative that the standard rate should be low and that it should not exceed 10 per cent. We consider, however, that the Bill which has recently been published requires much more detailed examination than has so far been possible. Our own business interests make heavy demands on our time and we do not feel that we will be able to give the Bill the extensive study it requires in time for it to be introduced during the present financial year. It is our considered opinion, therefore, that the Bill should be referred to a Committee for further

examination and that its enactment should be deferred so that it does not come into operation until April 1st, 1948, which we understand is the date on which Income Tax will be brought into force in Singapore and Malaya."

The Objections

"These, Sir, are still my views and my objections to the present Bill fall broadly under two heads. The first, for the want of a better name, I will call 'Administrative' and the second 'Constitutional'.

"As to the first, my objection is to the speed with which this measure is being 'rat-ta-ta-ded' through this Council. The present Bill is barely a week old and I must admit I have not been able to give it the close study I should have liked.

"We are told the Colony needs further revenue to meet, inter alia, an as yet undisclosed liability to the Imperial Government. I submit, Sir, that if this Council and the Colony knew precisely what that liability was, and accepted it, this method of raising revenue to meet it would have been more palatable than it seems to be.

"It was primarily for this reason that I advocated a delay until April 1st, 1948 before bringing this measure into operation.

"As to my objections that fall under the second head, 'Administrative', these are more fundamental. I have, on previous occasions, expressed the view that I doubted whether direct taxation could be applied with the same degree of equity in a place like Hong Kong as it is in the United Kingdom. I still have these doubts, and they are based on two immutable factors. The first is the complexities of Chinese business and the multiplicity of names for one Chinese individual, and the second is the danger of malpractices that are inherent in a measure of this sort. I will not elaborate on these two factors, but they are interrelated."

The degree of importance that can be attached to these administrative objections varies, of course, with individual views. In my opinion they stand high but as yet not high enough for me to oppose the principle that direct taxation should be tried through the medium of this amended Bill. I regard it as an experiment. I do not consider the Bill as now re-drafted will have any prejudicial effect on the economic well-being of the Colony but the measure will stand or fall on Government's ability to administer it equitably, economically and incorruptibly. If they fail I, if I am still a member of the Council, will be in the forefront of the movement for its repeal."

Business Licences

The Home Minister, Valabbhai Patel, said the clauses would not affect such popular titles as Mahatma for Mohandas K. Gandhi and Quaid-e-Azam for the Moslem leader, Mohammed Ali Jinnah.

The Viceroy, Viscount Mountbatten, returned to New Delhi today from a two-day tour of the frontier. Lady Mountbatten remained in the north to tour some of the riot-damaged areas of the frontier and the Punjab, "all the other provinces will have to be cut up in a similar way."

Mr. Jinnah said that if Hindus in the two Moslem majority provinces did not wish to live under Moslem rule, they would be at liberty to migrate to Hindu provinces.

"Sooner or later, an exchange of populations will have to take place," Mr. Jinnah said.

He also asked that the Indian Army be divided into Hindustani and Pakistani armies before the British left India in June, 1948, and said the two states should be "absolutely free, independent and sovereign."

Mr. Jinnah warned the British Government, in a statement to the press, that "any attempt to impose a Hindu-Buddhist

Freedom Of Speech In India

New Delhi, Apr. 30.
The Constitutional Assembly today approved clauses in the proposed Indian Union constitution guaranteeing equality of opportunity and freedom of speech and press for all citizens.

It also adopted a clause forbidding the new Indian Union to grant titles and barring citizens from accepting titles from foreign states.

The Home Minister, Valabbhai Patel, said the clauses would not affect such popular titles as Mahatma for Mohandas K. Gandhi and Quaid-e-Azam for the Moslem leader, Mohammed Ali Jinnah.

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MR. T. N. CHAU

The Hon. Mr. T. N. Chau said: As a representative of the Chinese community, I have been trying to interest the Government in the Bill at every opportunity.

London Manhunt Appeal

London, Apr. 30.
Scotland Yard is combing London's underworld today for three gangsters who raided a jeweller's shop in the West End yesterday afternoon and killed a man trying to prevent their escape.

The police took the unusual course today of appealing to the underworld in London to come forward and tell what they know about these gunmen.

There has been an increasing number of hold-ups in London recently and it is believed that several well-armed gangs are operating in the heart of London.

One suggestion current here today is that the latest outrage was committed by men who belong to a "guns-for-hire" gang of about 20 desperate individuals who are always ready to be hired by a leader for an armed raid.

It is believed that army deser-

Seldom has a Bill met with such strong reaction from all sections of the community, both Chinese and non-Chinese. It has been made more than obvious that the Chinese community as a whole is opposed to such a Bill. Your Excellency admitted in your speech last week that Government realises that there are many people in this Colony who are opposed to the measure now before us solely because they feel that it is not the best or most appropriate form of taxation for Hong Kong. The Government, you told us, is of the contrary opinion.

The Chinese community of Hong Kong is fully aware of the need to increase the revenue of the Colony and to make it, as far as possible, self-supporting. The Chinese community will give its full support to any practical measures towards that end. But to command, to ensure that support, it must be demonstrated that any such revenue-producing measures are, indeed, practical. All sections of the Chinese community are united in their belief that such an epithet cannot be applied to the Inland Revenue Bill.

Profits Tax Opposed

As it has been made obvious that Government is determined to force the Bill through, no matter what the arguments raised against it are, the Chinese community is now very reluctantly prepared to accept three of the four taxes contained in the Bill—namely, the tax on properties, the tax on salaries and the tax on interest. But the Chinese community is still strongly opposed to the fourth tax—the tax on business profits. I have said before, in addressing this Council on the subject of income tax, that the introduction of such a tax in a predominantly Chinese community is bound to be a failure. Apart from the difficulties of obtaining accurate figures on which to base such a tax, there is the great barrier thrown up by tradition.

The armed forces of the Soviet Union stand guard over our frontiers and over the State interests of our country. The armed forces of our country celebrate the May Day holiday in conditions of persistent struggle for raising the quality of their fighting and political preparedness for successful fulfillment of the tasks set by Comrade Stalin to the Army, the Air Force and the Fleet."

Stalin arrived shortly after 7 a.m., Moscow radio said, and strode to the gaily coloured mausoleum followed by a number of his advisors. He turned to the cheering crowd and gave a military salute.

Marshal Semeon Budenny rode into the Square on a horse and mounted the mausoleum. He delivered a short speech in which he said:

"The armed forces of the Soviet Union stand guard over our frontiers and over the State interests of our country. The armed forces of our country celebrate the May Day holiday in conditions of persistent struggle for raising the quality of their fighting and political preparedness for successful fulfillment of the tasks set by Comrade Stalin to the Army, the Air Force and the Fleet."

He said it was necessary for the Soviet armies and fleets to achieve new successes in perfecting their military and political knowledge."—United Press.

In Britain

London, May 1.
Britain's National Council of Labour issued a manifesto calling on workers everywhere to fight forces of reaction aiming at imperialistic domination and capitalistic exploitation of the working people. London postponed the May Day celebration to Sunday, when Premier Clement Attlee will speak.

Greece banned demonstrations. The Leftists are planning work stoppages in Athens.

The day will be a legal holiday for the first time in Belgium and Norway.

The British advised Germans in their zone to be discreet. Associated Press.

Shanghai Parade

Shanghai, May 1.
Demands for fair living wages were among the slogans shouted as they drove through rain-drenched streets here today in gaily decorated trucks in celebration of International Labour Day.

The parade followed a mass meeting at the Race Course where it is estimated that 60,000 workers representing 200 labour organisations stood for over an hour under the shade of trees.

Trade unions, employers and

Missing



The above photograph is that of Izquill Scott Glendinning, aged 35, a native of Australia, who has been missing from his hotel in Hong Kong since March 18, 1947. Any person having knowledge of his whereabouts is requested to inform the police at my police station.

ters form the bulk of these gangs.

Detectives, meanwhile, were today visiting night clubs and lodging houses and loafers in the street were questioned.—Reuter.

World Celebrates May Day

London, May 1.
Generalissimo Josef Stalin today was greeted with deafening cheers from hundreds of thousands jamming Moscow's Red Square when he appeared to review the great May Day parade featuring displays of troops, tanks and artillery.

Chung-kang, explain the Government's labour policy.

The meeting ended with the singing by the entire gathering of the National Anthem and presentation of prizes to labour heroes which rendered productive and meritorious services to the nation during the war of resistance.

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In contrast with last year's observance of the traditional holiday today's was almost serene.

Speakers at the rally held in the Imperial Palace plaza harped on the labour front and improvements for the workers themselves.—Associated Press.

No Loan?

Nanking, Apr. 30.
Premier Chang Chun today

CHANG CHUN ON THE CRISIS

Nanking, May 1.

Premier Chang Chun announced today that the Chinese Government is now studying and drawing up reconstruction projects for submission to the United States Government for approval of the \$500,000,000 loan, the deadline for which is expiring on June 30.

Making the first report to the Legislative Yuan since his inauguration as President of the Executive Yuan, Gen. Chang Chun said there was no escape from economic troubles as long as political problems were unsolved.

He voiced the hope that the present military measures the government is "compelled to adopt" against the Communists will come to an early end to allow political settlement of internal political issues and to facilitate enforcement of the constitution due for See 25, 1947.

Premier Chang promised stricter implementation of the emergency economic measures promulgated last February, explaining the emergency regulations were "not the fundamental cure" of China's economic ills, but conceded these regulations curbed the economic crisis last February.

Declaring that the responsibility and obstacles facing the Executive Yuan were of a vast magnitude, Premier Chang asked the legislators for support and cooperation to tackle pressing national problems.

The new Premier stressed that government expenditures must be cut down to balance the budget and production increased to strengthen the national economy. He said the resolutions passed by the recent plenary session of the Kuomintang's Central Executive Committee were the best approach to the economic crisis.

Gen. Chang assured the Executive Yuan he will adhere strictly to the multi-party administration programme and to carry out the decisions of the newly reorganised State-Council.

One legislator suggested the proposed United States loan be used as a reserve for a new currency, but Premier Chang said that question of a new currency was highly complicated and must be closely studied. He agreed, however, that the present inflated currency must be "readjusted."—United Press.

rice Soars

Shanghai, May 1.
The price of black market rice today soared to CN\$260,000 per picul (60 kilograms)—double the early April price—due to the hard-hit working class observed May Day.

Even at the black market price was hard to get as rice shops sell only clandestinely to old customers.

The City Government daily is dumping large quantities of rice of inferior quality but this failed to push down the price.

Mayo. K. C. Wu this morning called rice dealers into a conference and reportedly threatened to confiscate all rice stocks in Shanghai to begin rationing.—United Press.

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Unofficials' Speeches On Income Tax Measure

(Continued from Page 1)

The details involved in the imposition of such a fee could be worked out quite simply and would not require a deep knowledge of Chinese accountancy. I need not deal with it further at this moment, other than to point out that assessment would be a comparatively simple matter and collection an even easier one—quite apart from the fact that evasion would be almost impossible.

Before concluding, I would like to say that, as I understand it, a similar Bill in Malaya has been postponed for a year. I see no reason why Hong Kong cannot follow suit.

MR. M. K. LO

The Hon. Mr. M. K. Lo said:

"In introducing this Bill at the last meeting of this Council, the Hon. Financial Secretary commenced his address with the remark that it would be idle to pretend that there had not been a great deal of opposition to this Bill. The extent and representative character of this opposition on the part of the Chinese community is indicated by the fact that representations were transmitted to, or received direct by, Government from the Kowloon Chamber of Commerce, Chinese General Chamber of Commerce, Chinese Manufacturers' Union, Kowloon Chinese Chamber of Commerce, Hong Kong and Kowloon Chinese Restaurant and Eating House Merchants' Association, the Medicine Dealers' Guild, Hong Kong Sea Products Merchants' Association, Hong Kong and South China Paper Merchants' Association, Pun Yew District Association, Po Yick Merchants' Association, the Chinese Bankers' Association, the Hong Kong Property Owners' Association, and the Hong Kong and Kowloon Chinese Anti-Direct Tax Introduction Committee; that several petitions signed by approximately 100 organisations and associations in Hong Kong and Kowloon were sent in to Government, and that a delegation of the Executive Committee of the Hong Kong and Kowloon Chinese Anti-Direct Tax Introduction Committee waited upon Your Excellency last week."

In Favour

"You Sir, have stated that Government has taken into its consideration all the representations that have been made. I understand that another petition, signed or headed by thousands of firms but, as far as I know, without containing any new arguments, was sent in to Government yesterday. Today, on the Second Reading of this Bill, it will be my duty to vote in accordance with my own considered opinion on its merits."

"I am in favour of this Bill and shall vote accordingly. But out of deference to all the representations to which I have referred, and in discharge of my duty to this Council, I propose to set out fully—I hope not at undue length—my views and position in regard to this matter, which is of such actual as well as potential importance to this Colony."

"His Excellency Sir Geoffrey Northcote, in his presidential address to this Council at a meeting held on October 12th, 1939, foreshadowed the immediate introduction of an income tax for Hong Kong. At this meeting the Hon. Mr. S. Caine, in moving the adoption of the 1940-41 Estimates, indicated that the standard rate of the proposed income tax would be ten per cent."

"Then came the Budget Debates of November 9 and 10, 1939, in the course of which unanimous objections to the income tax proposals were voted by all the Unofficials."

"In the meantime, the Income Tax Bill had been referred to the Income Tax Committee, of which I was a member, and which held its first meeting on November 13th, 1939."

Complex Measure

"As the result of the recommendations of this Committee the

original income tax proposals were dropped, and in their place a Bill was introduced in this Council, which became the War Revenue Ordinance No. 13 of 1940.

"In the Budget Debates above mentioned, I made it clear that my main objection was that, for a place like Hong Kong, with its chief characteristics as an entrepot, and with a transitory population, any measure of the complexity and intricacy inherent in income tax legislation, cannot be equitably administered in the Colony, at all events for many years after its introduction. That was why, in my view, the Income Tax Bill, even with a standard rate of ten per cent, was not acceptable, whereas the War Revenue Ordinance No. 13 of 1940 received the unanimous support of the Unofficials.

"As regards the proposals embodied in this Ordinance to which I had made some personal contribution, I ventured the following remarks when I addressed this Council on March 14th, 1940:

"On December 4th, 1939 Mr. Caine, in view of his pending departure, wrote to each member of the Committee a letter enclosing a draft Report of the Committee as representing what he hoped the Committee would be prepared to agree to, rather than what had already so far been agreed. In the course of his draft Report the following observation occurred:

1940 Ordinance

"The best alternative means of imposing taxation of approximately the same degree of generality and having approximately the same incidence as the proposed Income Tax appears to be combination of taxes assessed on property, on salaries and analogous incomes and on business profits made in the Colony on bases and at rates calculated to impose very broadly the same degree of sacrifice on the several classes of persons affected. Such a combination of taxes would constitute a partial income tax, covering much the greater part of the income which would be liable to a full income tax but freed of many complications owing to its being partial in scope and only approximately adjusted to individual ability to pay. In particular much of the enquiry into personal circumstances which is apprehended from the administration of income tax should be avoided."

"It was of course realised that Ordinance No. 13 of 1940 might have to be amended from time to time to cure such defects or anomalies as might be disclosed by actual experience, and it was in fact amended by Ordinances Nos. 21 and 29 of 1940, and was repealed and re-enacted with amendments by Ordinance No. 13 of 1941.

"On the whole it can be said that the 1940 Ordinance worked well and smoothly. Estimated to yield \$ million in the year it actually produced \$ million for 1940-41, or 50 per cent. more than the original estimate, and the cost of the War Taxation Department was only 3 per cent. of the total amount collected."

Still In Force

"Section 73 of Ordinance No. 13 of 1941 provides:

"No tax shall be collectable in respect of any year of assessment subsequent to the year of assessment in which the war which began on the 3rd September, 1939 is terminated."

According to Government this Ordinance is technically still in force and will remain in force until a Peace Treaty has actually been signed, or of course until it has been repealed.

"It was in these circumstances, which I might describe as the historical background, that I accepted the invitation to serve as a member of the new Taxation Committee appointed by Your Excellency on the 3rd September, 1946, with terms of reference which include:

(ii) (c) Whether, and if so by what date, it will be ex-

ecuted to replace the taxation now authorised by the War Revenue Ordinance by the introduction of an Income Tax.

"The subsequent history of this matter from the time of the Report of this Committee to the publication of the Bill now before this Council, embodying all the recommendations of the Interim Committee appointed by Your Excellency, was fully set out by the Hon. Financial Secretary when he spoke in support of the First Reading of this Bill last week. I need only add that the reports of the various Committees detailed by him I was an assenting party.

An Improvement

"I have ventured to recall these facts, not by way of apology for the part I have taken throughout this direct taxation controversy, but because I believe these facts are relevant in considering the Bill now before Council.

"In view of the Hon. Financial Secretary's able analysis of the differences between this Bill and the 1940 Ordinance, I need not take up any further time of this Council in discussing such differences, which are all in favour of the tax-payer. Indeed, the only fundamental difference between this Bill and the pre-war legislation is contained in Chapter VII, under which anyone liable to tax is entitled to elect to be personally assessed, with the consequential rights to personal allowances.

"I submit that the proviso of this Bill, drafted in the spirit of the 1939 Ordinance—namely, the production of a relatively simple measure freed of many complications inherent in a full income tax legislation, with the fundamental essentials of a low rate, and without any provisions which would harm the economy of the Colony as an entrepot—are a substantial improvement on the pre-war legislation.

"It is true that in 1939 there was an overwhelming desire on the part of the community that the Colony should assume its share of the financial burden of the war effort. But this Council, in 1940, was absolutely unfettered, not only in theory but in fact, in regard to the means by which the requisite war revenue, a substantial amount of which was to be devoted as a free gift to H.M. Government, was to be found. His Excellency Sir Geoffrey Caine had categorically stated—

Crucial Question

"What Government has in contemplation is a free gift to H.M. Government, while engaged in a life and death struggle; it would be utterly illegal, to say the least of it, to describe as free a gift wrung from an unwilling community by the use of the official majority in this Council; no such thought has ever entered my mind."

"In point of fact the method of raising the war revenue required, which was acceptable to all the members of this Council in 1940, was that prescribed by Ordinance No. 13 of 1940, on which the present Bill is its fundamental essentials is based. Therefore the crucial question before this Council, as it seems to me, is as to whether or not it is really necessary to raise further substantial revenue. And I venture to think that any doubt which might have existed on this point must have been completely dissipated by Your Excellency's address to this Council last week."

"I cannot pretend that the introduction of a direct tax in peace time in the Colony has come upon me as a surprise. To me certain observations of His Excellency Sir Geoffrey Northcote, in the course of his address to this Council on the 18th November, 1939 were a significant warning. May I quote these observations:—

Sir Geoffrey's Warning

"Lastly, in order that I should be completely frank on the subject, I admit my belief that the principal contribution to the peace-time—I repeat, peace-time—revenue of this Colony should come from an Income Tax. Trivial arguments can be ranged against its equitability in a community composed of different races with different standards of living; but these arguments have little weight when opposed to the undeniable basic equity of a tax which is assessed in accordance with the principle that the community as a whole pays. This is not the proper time for its introduction."

"My reasons for feeling thus, now, first two: The first is because due allowance should be made for citizens and firms in Hong Kong to rehabilitate themselves after a period of four years during which nothing was earned and hardly made. In many cases into capital saved—leaving which in many cases cannot be met in the short period since the liberation of this Colony. gravely lacking. I do not attempt to disguise from myself the fact that, in order to cure that complete lack of social life it would be necessary to raise a great deal more revenue and, in effect, to impose a heavy tax on the community. This would, I fear, bring about a mode of taxation which would be extremely undesirable, if not indeed unethical, at any rate, to the people of this Colony."

"That view is not mine alone; it is shared by many, as reflected in correspondence and articles in the local press in the last few days. It will also, I fear, be reflected in the financial returns of the Colony for the year ending June 30th, 1947, when the revenue will be less than the expenditure."

"I wish to take this opportunity of stating that I do not for a moment suggest that any one section of the community is likely to be less scrupulous than another in the matter of making returns for the purpose of taxation. But it has to be remembered that many here are unaccustomed to this method of raising revenue. Chinese accountants will cause the Department much trouble and delay.

"In the course I shall invite

them because I hope that the day may come when I shall preside over a meeting of this Council with a bill before it for the imposition, or reimposition, of Income Tax as a peacetime measure.

"The Colony is on the threshold of a new form of government, and rushing the Bill through now seems to me to savor very much of forestalling any opposition which may develop from a new Government in Hong Kong.

Not Opposite

"My second reason for voting against the Bill is on the ground that this is not an opportune time. The Colony is on the threshold of

a letter addressed to Your Excellency.

Must Go On

"It is but inevitable that the discussion of Direct Taxation should be linked with the question of Constitutional Reform. I

have no doubt the consciousness of impending constitutional changes is present in the minds of all who are taking part in this Debate today. But the process of government must go on in the meantime, and this Council must continue to function in accordance with its constitution for the time being.

"It may be that, having regard to the various concessions embodied in the Bill, the original estimated yield of 10 million may not in fact be attained. On the other hand, it may well be that the actual revenue will exceed the actual expenditure without the yield from this Tax. Either alternative is of course possible. But both must remain in the region of surmise until next year. But what is certain is that no surplus of revenue over expenditure in respect of the current year, however large and welcome, can possibly be too large for the purpose of rehabilitating the Colony's finances, creating a prudent reserve, and financing the manifold calls for social services.

"I adhere to the view—I held before the war that whilst a complicated Income Tax law is not suitable to the Colony, a simplified form of direct taxation along the lines of this Bill can fairly and equitably be administered, and that the efficiency of its administration should improve with the years.

The Future

"It is not a bad thing for one occasionally to see visions and to dream dreams. One of these visions and dreams which I would like to have is that of the Colony in which its people, aided by sound education, will assume grossly and in ever increasing measure, the responsibility of self-government; in which social services, like adequate hospitalisation, medical and sanatorium care, universal education, old age pension, unemployment insurance, etc., etc., will gradually become available to its citizens, and in which the burden of providing for the expense of Government and for these services will be equitably distributed amongst all. In any such picture direct taxation, based however approximately on ability to pay, must occupy a place.

"The demand for social betterment and social security, and the reliance upon taxation based on capacity to pay, represent a process which, clearly observable for years before the war, has received a tremendous added emphasis from the common effort, common toll and common suffering of the war years. If I may, with profound respect and humility, borrow and—to the extent of substituting 'We' for "—paraphrase one of the numerous impressive and incomparable utterances of that great War leader the Rt. Hon. Mr. Winston Churchill, in the concluding part of his speech delivered to the House of Commons on August 20th, 1940, I would say this:—

"For my own part, looking out upon the future, I do not view the process with any misgivings. We could not stop it if we wished; no one can stop it. Like the Mississippi, it just keeps rolling along. Let it roll. Let it roll, on full flood, inexorable, irresistible, benignant, to broader lands and better days."

MR. LEO D'ALMADA

The Hon. Mr. Leo d'Almada said:

"I vote against this Bill and my reason for so doing are these, that whereas I approve of the right of taxation in principle, I feel, as I sit at the private meeting of unofficial members of this Council, that the measure is not the proper time for its introduction."

Strong Case For Postponement

"I confess to misgivings as to whether the Government has an inadequate staff to operate the present Bill in the current financial year. If the Department is overwhelmed with work, the tendency will be to collect from the obvious, easily reached tax-payers, and it's a great number of the smaller ones escape, from sheer inability to separate persons who are subject to tax either individually or as corporations, or as partnerships with a definite legal status. It is difficult to apply the principle of Income Tax for all firms, is proposed. It would have to be a nominal sum, such as \$100. Graduation according to financial strength has the great advantage that firms which have made losses instead of profits will pay nothing.

Strong Case For Postponement

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Ignoring Essentials

"One of the worst consequences of Income Tax is the demoralising tendency to promote evasion. In a Chinese society evasion does not arise merely from an unethical attitude, but thought, if undesirable that such a measure should be introduced, until discussion was possible by the elected representatives of the people.

"What is not considered expedient for Gibraltar can hardly

ago that their social structure and Parliamentary representation has advanced sufficiently to justify the imposition of Income Tax, and to apply this now to a predominantly Chinese population is to ignore the essential and historical difference between the communities affected."

DR. S. N. CHAU

The Hon. Dr. S. N. Chau said: Without going into all the details embodied in the Draft Bill, I crave the indulgence of Your Excellency and my honourable colleagues for stating at some length the reasons for my opposition to it. It has been advanced as an argument in favour of an income tax that in addition to the need of raising revenue to meet the Colony's commitments, it is the most equitable form of taxation. I do not question the necessity for raising the required revenue, which is apparent to us all. Indeed, the public is most willing to pay, but what it does object to, and objects most strongly and strenuously, is the method of taxation.

"But to pass a measure such as this now can only be imposed by the freely-elected representatives of the people on themselves, with the assurance that these representatives have full facilities in gauging the amount of money required and in applying its expenditure. In the case of Hong Kong at present, the taxpayers do not know what the requirements are; they are simply told that the Colony is in debt to the mother-country, but they do not know to what extent or in what respect, and they are in a state of comparative ignorance, on which Government does not enlighten them. The Government has not made any statement as to its plans for the rehabilitation or for the expenditure of the money to be collected. It is asking for a blank cheque.

Not Sufficient

The taxpayers are entitled to have some say, as they are in England, not only in the imposition of the tax, but in the expenditure of the money, and it is not considered sufficient that the tax has been recommended by a small ad hoc committee which cannot be said by any means to be representative of the taxpayers. While it has been said that the tax has not been imposed without consultation with and recommendation by at least two committees, these, however, were committees appointed by the Government.

Product Of West

Income tax is a product of the West, that of a political state with a representative government which has advanced to the stage when the maxim "No taxation without representation" has long been accepted as a principle of the constitution. It is a condition of the tax that those who are called upon to pay it should have an effective voice in its imposition as well as in the control of its expenditure. In the circumstances now obtaining in Hong Kong there is no popular representation on the Western basis, and it cannot be said by any stretch of imagination that the population would have any say in the imposition of the Colony's taxation or in the control of its expenditure. True, we have been promised some measure of self-government, but it is still in the embryonic stage. The tax during the first year may be limited to 10%, but nothing that the taxpayers can say will prevent this rate being raised at the will of the Government.

Family Earnings

Hong Kong is also predominantly identical with South China in its social structure. The unit of the Chinese society is that of the family. Where Income Tax has been applied in a society which is highly individualistic it is easy to separate persons who are subject to tax either individually or as corporations, or as partnerships with a definite legal status. It is difficult to apply the principle of Income Tax to a people whose earnings are gained from the combined efforts of a family or clan groups and are spent for the maintenance of those groups, and are largely owned in common.

"A measure of this kind cannot be applied with perfect equity to the circumstances of every tax-payer, but I am of opinion that the amendments made since it was first published remove most of the objections which have been expressed.

Facts Overlooked

I am of the opinion that the advocates of Income Tax, in their impatience to consolidate Government revenue, have overlooked the fact that the major wishes of the Chinese population, representing 95% of the Colony's total inhabitants whose business acumen and extensive financial investments are to a large extent responsible for its traditional prosperity, are being ignored. The Right Honourable Secretary for the Colonies Mr. Arthur Creech Jones in his recent pronouncements to the people of colonial territories has urged closer cooperation between the native populations and their governments, and in view of such manifestations it is logical that the Chinese should oppose any governmental measures

Hamlet Without A Prince

India Appeals For Jewish Participation In UNO Discussions On Palestine

ARABS GIVE UP FIGHT FOR VOTE

Flushing Meadows, N.Y., Apr. 30. India today appealed for Jewish participation in the United Nations Special General Assembly's consideration of the Palestine problem. Immediately the General Assembly's Steering Committee resumed discussion of the agenda today, the Indian delegate, Asaf Ali, said:

"Today and yesterday we have been playing Hamlet without a Prince of Denmark. Where are the people whose actual rights we have to consider? Where are the representatives of the Jewish people who are so interested in this problem? We find neither of them here. We have received certain communications from the latter, but unfortunately they seem to conflict with one another."

Mr. Ali said that he wished to correct the assumption by the press that as a result of his remarks yesterday he "taunted" the British delegate, Sir Alexander Cadogan. "I never approach these serious questions, these great matters, in a spirit of sarcasm or taunt."

He said that Britain "very courageously" took over the mandate in 1923.

The question we have gathered here to consider is of the utmost importance," he continued. "It is not merely a question of Palestine, it is not merely a question of followers of Israel. It is a question fundamentally of human rights and international security and peace."

Mr. Ali congratulated the Arab states on the ability with which they had put their case.

Jews in India had never suffered, he said. "My country has looked upon them as a people who should be respected. There are a large number of people living in Afghanistan, in the Northwest Frontier Province and in Kashmir, all of whom claim descent from Israel. They constitute a very large body of men on the agenda."

THE HONG KONG JOCKEY CLUB

NOTICE TO MEMBERS

SIXTH EXTRA RACE MEETING

SATURDAY, 10th May, 1947.

The First Bell will be rung at 2.00 p.m. and the first race will be run at 2.30 p.m.

Through numbers of Racers—\$10 may be obtained at the office of the Treasurers, 1st Floor Exchange Building, also tickets for the Special Cash Sweep (\$2.00) on the last race.

MEMBERS' BADGES AND ENCLOSURE.

Members are reminded that they and their ladies MUST wear their badges prominently displayed throughout the Meeting.

NO ONE WITHOUT A BADGE WILL BE ADMITTED TO THE MEMBERS' ENCLOSURE.

Badges admitting non-members to the Members' Enclosure and Club Rooms at \$10 including tax are obtainable through the Secretary on the written or personal introduction of a Member, such Member to be responsible for all costs, etc.

Badges admitting to Members' Enclosure will NOT be on sale at the RACE COURSE.

The Treasurers' Office will close at 11 a.m. and the Secretary's Office at 11.45 a.m. Both Offices at 1st Floor, Exchange Building.

A limited number of tiffins will be obtainable at the Club House, provided they are ordered in advance from the No. 1 Boy (Tel. 27818).

NO CHILDREN WILL BE ADMITTED TO THE CLUB'S PREMISES DURING THE MEETING.

PUBLIC ENCLOSURE.

The price of admission to the Public Enclosure is \$3 including tax for all persons including ladies, and is payable at the Gate.

Bookmakers, Tic Tac men, etc., will not be permitted to operate within the precincts of The Hong Kong Jockey Club during the Race Meeting.

Refreshments will be obtainable in the Restaurant in the Public Enclosure.

SERVANT'S PASSES.

Passes for Servants will be issued to Private Box holders ONLY on application to the Secretary, 1st Floor, Exchange Building.

Any persons found loitering with Servant's passes in their possession will forfeit the same and will be removed from the enclosure.

By ORDER
C. B. BROWN,
Secretary.

"JANE"



Sweden Is Still "Uncertain"

New York, Apr. 30. Henry Wallace, reporting on his recent visit to the Scandinavian countries, claimed today that Sweden was the most troubled of the Scandinavian countries he had visited. Writing in the liberal magazine "New Republic," of which he is the editor, Mr. Wallace said that it was still "uncertain" how the Swedes would act politically in a divided world.

"Swedes wish to maintain friendly relations with the Russians and are simultaneously developing a sense of responsibility to the Charter of the United Nations."

Mr. Wallace said that the lack of political tension in Norway was due to the aggressive programme of the Norwegian Labour Government, while partisan politics of the left and right had led to relative uneasiness and fear in Sweden and Denmark.

The Theatre Guild show pre-

miere tonight is one of the highlights of the London theatrical season, but Britons will not be hearing the show exactly as it was, and is being heard in New York and elsewhere in the United States. Road showings in Manchester turned up the fact that British audiences had trouble catching Mid-Western accents when spoken at normal speed.

So the cast was instructed to slow down the dialogue slightly and tests showed that the lines were then easily understood. "Romany Love," known in the States as "Gypsy Love," is playing at His Majesty's Theatre now, and with "Annie Get Your Gun" due next month, British critics are hailing the "post-war American invasion." —United Press.

not fixed the date for termination of the mandate, which they left to the September Assembly

One Basis

Broadcasting to the Americans tonight on his recent tour of Europe, he said that he "found" the one basis on which progressive Europe can co-operate with America is a strong United Nations.

"Only through the United Nations will Europe be identified with America," Mr. Wallace declared.

"There is in Europe a deep belief that if we work together

Danger Of "Patience"

The Syrian delegate said: "We are asked to have patience. But, meanwhile, Zionists are forcing immigration until they get a majority. The position of the United States is well known. They also are exerting pressure on Great Britain to allow more immigrants so as to create Jewish domination in Palestine."

He added: "If immigration is stopped, we have no objection to being patient. But at present patience is harmful to the Arab cause."

Mr. Khouri declared that the question of displaced persons was separate, and it was the responsibility of other nations to find homes for them.

The Iraq delegate, Dr. Fadil Jumali, began a bitter attack against Zionism which, he said, was "poisoning the atmosphere in Palestine," when the Chairman called him to order. The Chairman called him to order. The Steering Committee than adjourned.—Reuter.

Arab Vote

New York, May 1. The Arab countries formally gave up their fight for a vote in the United Nations Assembly's steering committee on the demand for a special Palestine session to consider the independence of the Holy Land now.

Answering the appeals from Britain and India for calmness and peace, Mahmoud Hassan Pasha of Egypt told the committee that his country would not press for the vote now on the Arab proposal.

The Arabs had argued for eight hours that a special Assembly should discuss their demand for the cancellation of the British mandate on Palestine and the freedom for the Holy Land.

He then emphasized that Arabs were not trying to force the General Assembly to take a decision on the future of Palestine, as it was not within the Assembly's jurisdiction.

"The General Assembly is entitled to make recommendations and nothing more. Our request is that the recommendation to Britain will be directed towards termination of the mandate and recognition of Palestine's independence."

He concluded that Arabs had

M.P. Alleges Police Tap His Phone

Belfast, Apr. 30. Mr. Conlon, Nationalist Member of Parliament, today accused the Ulster Government of tampering with letters from the United States addressed to him as Secretary of the Irish Partition League.

Speaking in the Northern Ireland Parliament, Mr. Conlon also charged that the police had "tapped" his telephone.

"When I speak in Irish to another Member of Parliament, the call is cut off until someone is brought who understands the language," he declared.

"I have also heard the operator ask whether my telephone calls are wanted for police evidence."

No reply was made to Mr. Conlon's accusations.—Reuter.

NATIONALIZATION OF STEEL

London, Apr. 30.

An Exchange Telegraph political correspondent said today that the Government will attempt only one major nationalization measure—nationalization of part of the steel industry—at the next session of Parliament.

The correspondent said the proposed steel nationalization legislation which will be outlined in the King's speech at the beginning of the new session in November will acquire for the state all the voting shares of leading British steel firms.

The dispatch said nationalization of the gas industry will be held over until the following session.—United Press.

REFRIGERATORS

Important Announcement

The Public are warned that a number of

GE
PHILCO
ADMIRAL
FRIGIDAIRE
KELVINATOR
WESTINGHOUSE

electric refrigerators are being offered for sale in the Colony by other than authorized Agents. These units are being purchased through irregular channels, and in some cases have had their serial numbers removed. NEITHER WE NOR OUR PRINCIPALS WILL ACCEPT ANY RESPONSIBILITY FOR THE GUARANTEE OR SERVICE OF THESE UNITS.

DODWELL & COMPANY, LTD.,
Authorized FRIGIDAIRE Agents.

DAVIE BOAG & COMPANY, LTD.,
Authorized WESTINGHOUSE Agents.

FAR EAST IMPORT & EXPORT CO.,
Authorized KELVINATOR Agents.

GILMAN & COMPANY, LTD.,
Authorized PHILCO Agents.

UNITED DEVELOPMENT COMPANY,
Authorized ADMIRAL Agents.

ANDERSEN, MEYER & COMPANY, LTD.,
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IF it is Beer you want,

BEER that is a joy to drink.

Don't say "TEK-KATEE"

Nor "TEE-SAY-TEE"

Nor "TEE-KATE"

BUT pronounce it thus:

"TEE-CAR-TEE"

TECATE BEER

Beer with body in it,
that tastes better,

that is better.

OBTAIABLE EVERYWHERE



The perfect hot weather Beer.

TECATE BEER

BREWED IN A TRADITIONALLY MANNER



CLASSIFIED ADVERTISING

20 WORDS \$2 FOR ONE
INSERTION PREPAID, \$1
FOR EACH ADDITIONAL
INSERTION, ADDITIONAL
WORDS 10 CTS. PER WORD
PER INSERTION

\$2

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offices for Box Nos. 240, 255, 260,
273, 274, 278, 283.

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YOUR BABY will always be
safely presentable if protected by
"EATCO" rubber diapers. On
sale at all leading stores.

TYPEWRITERS FOR HIRE AT A
REASONABLE RENT. STANDARD TYPE-
WRITER CO., 11, DES VOEUX RD., C.
ALEXANDRA BLDG., GROUND FLOOR,
TEL. 30591.

FOR SALE

SHIPMASTERS' BINOCULARS:
"ZEISS" (7 X 50), with Anti-
fungus LENS! Excellent Con-
dition! Cowhide Case! Except-
ially Cheap. 289, top, Prince
Edward, (5-7.30 p.m.) Phone
57607.

LAMMERT BROS.
Auctioneers, Surveyors
and Appraisers.
Pedder Building.
Telephone No. 20224.

PUBLIC AUCTION

The Undersigned have received
instructions to sell by Public
Auction on

Friday, the 2nd, May 1947
commencing at 2.30 P.M.
at their Sales Rooms No. 35
Hankow Road Kowloon.
A Fine Collection of Valuable
Household Furniture
comprising:

Office Writing Tables, Office
Armchairs, Filing Cabinet, Iron
Safe, Extension Dining Tables,
Dining Chairs, Sideboards,
Glass Cabinets, Wardrobe With
Mirrors, Chest of Drawers,
Hanging Cupboards With
Drawers Combined, Standard
Lamps, Cabinet Gramophone,
Kitchen Table, Tea Pots, Bed-
steads, Glass Ware, Silver &
E.P. Ware, Dressing Table
Complete with Stools, Cutlery,
Table Ornaments, and Black-
wood Furniture Etc., Etc., Etc.

Also
1 G. E. Refrigerator
5 Typewriters

On View From Thursday, the
1st May, 1947.

Terms: As Customary.
LAMMERT BROS.,
Auctioneers.

NOTICE

CHINA PROVIDENT
LOAN & MORTGAGE
CO., LTD.

Mr. Alexander Douglas Lear-
month has this day been
appointed Secretary of the
Company.

By Order of the Board,

S. M. CHURN,
Chairman & Managing Director,
Hong Kong, 1st May, 1947.

DENNIS & CO., LTD.

sole Agents for
THE NEW ASIA WHITE-ANT
DESTRUCTING CO.
(Giant)
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Tel. 57841

THE PUB WITH
THE ENGLISH
ATMOSPHERE
JACK CONDER,
Manager

NOTICE ASIATIC PETROLEUM COMPANY (SOUTH CHINA) LIMITED

Local Provident Fund

The abovenamed Company has
pursuant to Article 19 of the
Rules & Regulations of the
above Fund, decided to dissolve
its present Local Provident
Fund and to distribute among
members all monies standing to
their credit in the Fund.

In order to assist the Com-
pany in this regard all Members
and the legal personal
representatives of all deceased members
are required within one
month of the publication of this
Notice to submit to the Company in writing particulars of the
amounts claimed to be payable
to them, together with any documentary evidence which
they may have supporting their
claims.

For THE ASIATIC
PETROLEUM COMPANY
(SOUTH CHINA) LIMITED.
(spcl) R. Y. FROST
Manager

HONG KONG REALTY & TRUST CO., LTD.

(incorporated under the Companies
Ordinances of Hong Kong)

NOTICE IS HEREBY GIVEN

that the Ordinary Yearly Meeting
of Shareholders of Hong
Kong Realty and Trust
Company, Limited, will be held at the
Registered Office of the
Company, Exchange Building
(Second Floor), Des Voeux
Road Central, Hong Kong, on
WEDNESDAY, the 28th May,
1947, at 12 Noon, for the purpose
of receiving a Statement
of Accounts and the Report of
the Board of Directors for the
year ended 30th April, 1947,
confirming the appointment of
a Director and re-electing two
Directors and the Auditors.

The Transfer Books of the
Company will be closed from
Wednesday, 14th May, 1947, to
Wednesday, 28th May, 1947,
both days inclusive.

By Order of the Board,
F. C. BARRY,
Secretary.

Hong Kong, 1st May, 1947.

LORDS DEBATE ON CONTROL OF ATOMIC ENERGY

London, Apr. 30.
Dr. Cyril Garbett, Archbishop of York, asked the Government in the House of Lords today to do everything possible to reach an agreement with Russia on the control of atomic energy.

Dr. Garbett joined Lord Cherwell, Director of the Royal Air Force's Physical Laboratory, in warning that discovery of more powerful and destructive atomic bombs might lead to the end of civilization.

Both endorsed the American plan for international control of atomic energy.

Dr. Garbett said that while Britain might feel content that the atomic bomb should remain the monopoly of the United States, Russia did not.

"Sooner or later," he said, "the bomb will pass into the possession of other nations. The psychological effect on the peoples of the world will be very great. They will feel hanging over them the shadow of doom . . .

"All our planning for the future will come to naught unless this matter is dealt with. We

NOTICE

ROYAL HONGKONG GOLF CLUB

Owing to the very considerable increase in the cost of hiring a vehicle to transport golfers to and from Fanling on Sundays, it is regretted no further transportation of this nature is available in future.

Suitable trains now leave Kowloon at 8.40, 9.10, and 10.25. Returning from Sheung Shui 15.55, 17.28, 18.27.

It is hoped that a 1st Class coach will be available as from the 16th May.

D. W. MUNTON,
Secretary, R.H.K.G.C.

PEAK MIXED TENNIS CLUB.

Provided that sufficient support is forthcoming, it is proposed to repair two of the Peak Club Tennis Courts and form a Mixed Tennis Club. It is hoped that the entrance fee will not exceed \$50—and the monthly subscription \$5—Will any persons interested please send their name and address to P.S.M. Dew, Hongkong & Shanghai Bank, by May 15th.

The "News Chronicle" said that economically there was no justification for optimism.

It intimated that Europe is headed for a disaster unless an immediate solution is found.

UNITED SERVICES RECREATION CLUB KING'S PARK KOWLOON

The facilities offered by the above Club will become available for use by Members and their families from 10th May, 1947.

Applications for Subsidiary Membership should be forwarded to the Honorary Secretary in writing. Application Forms are available at the Club House.

Chinese Optical Co. OPTICIAN 67 QUEENS ROAD C

Belfast, Apr. 30.
Though Belfast dockers are

"partial to a pint of porter" themselves, they have forced Belfast to become a dry city by supporting the barmen's demand for closed shop.

All public houses finally closed here today when the Guinness Brewery Company decided not to

issue further supplies of stout to the city when the dockers threatened to boycott coal and goods for the Great Northern Railway, which carries the beer from Dublin.

The dockers have been enforcing an embargo on beer and spirits for five weeks. One docker told Reuter:—

"We are doing it at a sacrifice because we are partial to a pint of porter ourselves."—Reuter.

London, Apr. 30.
British Overseas Airways Corporation is to introduce early in May three new services—two flying-boats and one land plane—to the Middle East, the Persian Gulf and India.

New "Plymouth" class flying-boats will be used to open a weekly service between Britain and Bahrain, in the Persian Gulf, and between Bahrain and Karachi.

The first flying-boat will leave Poole on May 2, and return from Bahrain on May 7.

The first flying-boat from Bahrain to Karachi is due to leave on May 8 and from Karachi on May 15.

The third new service, operated by "Dakota" aircraft, will be weekly between Britain and Lydda, in Palestine.—Reuter.

Frigidaire Refrigerators

IMPORTANT ANNOUNCEMENT

The Public are warned that a number of Frigidaire Refrigerators are being offered for sale in the Colony by other than the Authorised Frigidaire Agents. These Frigidaire are obtained through unscrupulous dealers in the States and in most cases have had their serial numbers removed, thus making the guarantee null and void. Neither we nor our Principals will accept any responsibility whatsoever for these units.

DODWELL & CO., LTD.

Authorised Frigidaire Agents

Report Of U.S. Mission To Greece

Washington, Apr. 30.
The report to the Secretary of State, Mr. Marshall, of the U.S. economic mission to Greece, which concluded that Greece would need financial help from abroad during the next five years, was published here today.

The report declared: "If the Government of the United States is going to ensure the future of Greece, a continuing programme is required. This programme should not be limited to a single year.

"It is emphasised that this programme of recovery and restoration should envisage a period of about five years.

"It is hoped that direct American financial assistance will not be necessary after June 30, 1948, but the programme should be continued in any case, whether under American auspices, or under the United Nations."

"Recovery Mission"

The report recommended a 50-man "American Recovery Mission" be sent to Greece to ensure American aid be used effectively.

"Supervision of funds extended by the United States should be delegated to the Mission and disbursements should be made by it in accordance with legislation by Congress, with the policy established by the President or the Secretary of State and with agreement on this matter between the United States Government and the Greek Government," the report said.

It also recommended that "appropriate means should be devised for keeping the United Nations and specialised and associated agencies informed of the operation of the mission."—Reuter.

London, Apr. 30.
Only three morning newspapers commented today on Secretary of State Marshall's report on the Moscow conference. None shared his optimism over eventual conclusion of the treaty on Germany.

The "News Chronicle" said that economically there was no justification for optimism. It intimated that Europe is headed for a disaster unless an immediate solution is found.

The "Daily Telegraph" said the solution "cannot wait on Russian vagaries." If the Soviet Union cannot reach an agreement with the powers, "Britain and America must manage their zones without her."

"The Times" said that General Marshall had expressed the problem in "admirably clear perspective" but the "failure at Moscow... justifies an end to the policy of holding the door so scrupulously wide open that the resulting draught blights all hopes of recovery."

Not Cheerful

"The Times" regretted that the economic fusion of the British and American zones "has not become a reality" because of administrative difficulties and different outlooks on the control of German industries.

It said prospects of economic rehabilitation of the two zones in the immediate future are not "cheerful."

The dockers have been enforcing an embargo on beer and spirits for five weeks. One docker told Reuter:—

"We are doing it at a sacrifice because we are partial to a pint of porter ourselves."—United Press.

Paraguay Rebellion Quashed

Buenos Aires, Apr. 30.
After three days of street fighting behind an iron curtain of censorship, the President of Paraguay, Señor Morenico, put down an uprising in Asuncion which started on Sunday, when the capital's Marine garrison rebelled against the Government.

A communiqué issued by the Paraguayan Government today said that the rising had been completely smashed and many prisoners and much war material seized.

Reports from the Argentine frontier confirm the collapse of the rebellion, and said that hundreds have been killed or wounded in pitched battles fought in the streets, during which the rebels were several times used field guns.

Rebel headquarters in Concepcion.

Lot To Be Ashamed Of In Africa

London, Apr. 30.
The Prime Minister's sister, Miss Mary Attlee, who has been a welfare worker among coloured people in Cape Province, South Africa, for over 20 years, told a meeting of the Royal Empire Society today: "I have tried to look at life in Cape Province with the ears and eyes of the coloured people.

"More and more, I have gathered how awful it is to be a coloured person. I want to ask you to think how long will these people be loyal and patient as they are at the present time? Day by day I am astonished at their extreme loyalty to the white people and their extraordinary patience.

"Their children are badly educated—coloured schools need to be trebled. Day by day, the irritation of the coloured people is growing."

Speaking of "racial discrimination" in South Africa, Miss Attlee said: "The British Empire, I am convinced, is under the providence of God and the answer to all these problems is to be found in Christ.

"If all these Europeans in South Africa would be true to Him, all would come well and right. It is a tremendous challenge to the followers of our Lord. Will we take up the challenge and do all we ought to help the coloured people in South Africa?"

Miss Attlee said that she hoped soon to return to South Africa.—Reuter.

REPULSE BAY LIDO

RE-OPENING
on Saturday, 3rd May 1947.

Bathing and Restaurant facilities.

NIGHTLY DINNER DANCES

from 9 p.m. to 1 a.m.
in the air-conditioned Restaurant.

(for reservations telephone 27775).

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When you need an Aspirin - take an Alasid Tablez

The New & Improved form of Aspirin with BIG Advantages

The advantages of "Alasid" Tablez for the relief of pain are now known throughout the world and especially by whom they are widely prescribed.

In addition to the normal quantity of the highest quality aspirin, Alasid contains a special extract of root which soothes and protects the stomach and helps to make the tablets easier to swallow without unpleasant after-effects—eaten by those with sensitive stomachs.

Always keep "Alasid" Tablets handy. You will be delighted to find how pleasant they are to take and how quick to give relief.

Medicinal Narcotic: for all forms of rheumatic Pain and Periodic Pain, also for Digestive Disorders due to acidity.

SHOWING TO-DAY ★ KINGS ★ AT 2.30, 5.15,
7.15 & 9.15 P.M.

MIGHTY IN SPECTACLE!
THRILLINGLY DIFFERENT
FROM ANYTHING YOU'VE EVER SEEN!

J. Arthur Rank presents:

"A MATTER OF LIFE & DEATH"

IN NEW CHROMATIC TECHNICOLOR

Starring

DAVID NIVEN
KIM HUNTER
ROGER LIVESLEY
RAYMOND MASSEY

"See it.... It's a Delight"
...says the "New York Times"



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DISTRIBUTED BY EAGLE-LION

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Opening To-day at 2.30, 5.15, 7.15 & 9.15 p.m.
MIGHTIEST OF ALL TARZAN THRILLERS!

BEAUTY CONDEMNED TO
THE HANGMAN'S NOOSE!

Amazing drama packed
with matchless
Tarzan thrills!



SUNDAY TEA DANCE

AT THE

STAR HOTEL

TO

PETE VALDERRAMA & His ORCHESTRA

TEA DANCES EVERY SUNDAY FROM 4 PM TO 6.30 PM
DINNER DANCES NIGHTLY FROM 7.30 PM TILL 12.30 AM

23 & 25, NATHAN ROAD, KOWLOON. TEL. 58921

BAZAAR

in aid of

WAH-YAN
POOR BOYS'
CLUB

at WAH-YAN COLLEGE
ROBINSON ROAD

ON SUNDAY, 28th MAY, 2.30 PM TO 10.00 PM

INLAND REVENUE BILL

(Continued from page 2)

the poor man harder than the rich one, but at the same time you will fail to obtain a fair share of the payment of taxes from the man with money, which is what one might call legally inequitable tax.

Lotteries

"Another suggestion is a lottery. I have no moral objection to lotteries from a personal point of view, but I am not so convinced that there are no such objections when it becomes a matter of state."

"In England, and I believe at the present time in China, such lotteries as are contemplated in this suggestion are not permitted; on the contrary there is active opposition to them."

"Whether, in the circumstances of this Colony, having regard to such objections, they should be permitted, I have grave doubt and so far as I am personally concerned I should be very much against them."

"Apart from the moral or political angle, I do not think they would be effective to produce the necessary revenue."

"There are state lotteries in Australia, but I did not find any particular interest taken in them, and they can form only a small part of the revenue which is raised."

"A further point I should like to make is that under this Bill public and other companies will contribute very large sums of money, sums much beyond those that are at the disposal of individuals. But, as it is realised that none of this money could be put into a lottery, as I have yet to come across a company where one of its objects was to invest in lotteries, and clearly in no case could the directors do so, however anxious they might be to help in a good cause."

"Can it be seriously suggested that the subscriptions of individuals could approach the sums that would be collected under any form of direct taxation, however modest, from these wealthy companies?"

Cost Of Living

"At least am satisfied that the millions that it is said would come from this source is only wishful thinking, and if it were not I should be even more firmly opposed to the idea."

"Perhaps I should also refer to a suggested business licence or capital tax. I am not clear how this would operate, but it would be interesting to know how it is applied to professional men and women. I can only assume that this is one of the cases—which I am very glad to note have been considerably cut down in this bill—where the matter would be left to the discretion of the Commissioner."

"The consideration, however, that has weighed most with me in connection with this bill is that the cost of living in this Colony is extremely high, at such a height that perhaps we may hope it is only temporary, and this certainly involves the proposition that nothing shall be done to make it higher. This is the point where many will disagree with me, but I am convinced that any form of taxation which is not based on the income or profits of the individuals in the Colony who can afford to pay will lead to that result. I cannot say that persons who are not intended to pay these taxes will not have them passed on to them."

"I have already come across a case where the interest tax has sent the interest rate up, but it is, I hope, true if it is not obvious at the moment, that supply and demand will deal with this problem. On the other hand, so far as I can see, any effective tax which has been suggested will automatically cause a demand for increased wages from the many people in this Colony who will

not be directly affected by this bill, demands which it would be difficult, if not impossible, to refuse."

Beginning Of End

"This Colony has up to date, in my opinion, enjoyed a great measure of freedom from post-war labour trouble, and it would be disastrous in the extreme to bring in taxes which, directly affecting persons who will not generally be affected by this bill, would cause industrial trouble that would not otherwise arise."

"In connection with this point, I am further influenced by the fact that we know it has been agreed that a general increase in rents in the Colony will shortly be permitted, and it would be more than unfortunate if this coincided with a general increase of prices from indirect taxation."

"Under the Bill now before us the Commissioner has very considerable power. It is his specific intention to exercise this power wherever possible with an eye on the spirit rather than the letter of the law, reasonably and without undue interference with the legitimate privacies of private and commercial life. And he will depart from that policy only where he has good reason to suspect an attempt at deliberate evasion."

"Some smaller Chinese businesses fear that their whole traditional system of accounting will be overturned at expense to themselves and confusion to their enterprises. Quite categorically this is not Government's intention, nor is it likely to be the result."

"On the Commissioner's staff there will be officers expert in drawing from Chinese accounts such information as is necessary for the purposes of this Tax Bill. These officers have been specially selected and a number of them were in the 1941 Department and on the basis of that experience they

were confident that in very few cases will the taxpayer be required to recast his accounts. Certainly he will not be lightly asked to do so."

"Then there is the question of evasion. There will be some evasion and there is no sense in denying it. But the question is, how much evasion?" Since the whole matter, both now and later, is not susceptible of proof, all I can do here is to state that naturally the Government has most carefully considered the problem of potential evasion.

Best Suited

"I do not think it necessary to elaborate this point at the present time, as I am satisfied that the present Bill is within this principle, but I certainly reserve freedom of action if it is proposed the Bill should be expanded beyond its present limits."

"I have endeavoured to give the reasons that have led me to the opinion that I should support this bill as being the most appropriate form of taxation for this Colony in raising the revenue that is needed."

"I should perhaps add that the original form of this bill, while it does this year's taxation on last year's income, I could not have supported, as, in my view, which I have also previously expressed, last year was such an abnormal year that nothing could fairly be based thereon. However, the alternative that has now been embodied as a result of the reference to the last Taxation Committee, so far as I am concerned, meets this objection."

"In conclusion, I feel that this bill, moderate in tone, is suited to the present circumstances of this Colony and is desirable in preference to other forms of taxation on the ground that in the final analysis it is a measure which, if efficiently and justly enforced, is orderly, effective, and the least likely to add to the general cost of living and cause consequential unrest."

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Chinese Accounts

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"There is one general objection to all these alternatives and that is that in none of them can the rate of tax be adjusted to the capacity of the individual to pay to the same degree as is possible in the case of a tax on incomes. Moreover, all these proposals were examined with great care by the Taxation Committee at the end of last year and they were rejected as unsatisfactory."

Profits Tax

"The suggestion that the Profits Tax should be cut out of the present Bill and replaced by some form of business licence is open to a number of other objections. Of the four taxes covered by the Bill the Profits Tax is, of course, the one from which the greatest amount of revenue will be derived. If it were to be replaced therefore by some form of business licence this would have to be fixed at quite a high figure. Obviously the smaller businesses could not afford to pay such a high licence fee and it would be necessary to create administrative machinery to consider hundreds, or more probably, thousands of applications on their merits with a view to scaling down the fee to an appropriate figure to meet the circumstances of each individual case."

"So far as we know, the 1941 tax was not successfully evaded on a large scale and where there were suspicitions the Government was confident that the corrective measures planned for 1942 would have had satisfactory results. It would not have been perfect, no tax ever is—but it was reasonably certain that there would not have been material evasion. And the Government sees no reason why the same situation should not obtain in regard to the present Bill."

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"And lastly, as to the disclosure of commercial secrets, which is so contrary to the traditions of Chinese or any other business. Honourable

members will have observed the provisions of Section 4 of the Bill and the obligation of stringent secrecy under which the personnel of the taxation department are bound to operate. I assure Council that so far as is humanly possible, the Government means that cooperation to continue."

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THE FINANCIAL SECRETARY

The Financial Secretary then said:

"This Bill has been the subject of a number of petitions from various sections of the Chinese community, and there has also been a good deal of criticism in the press. One of

the principal ideas of argument has been that the revenue ex-

pected from this measure could more easily be obtained by means of certain alternative methods of taxation. Perhaps the most widespread suggestion has been that some form of business licence should be substituted for the proposed Profits Tax, but a Sales Tax and a Customs Tariff on a limited range of luxury items have also been proposed.

"There is one general objection to all these alternatives and that is that in none of them can the rate of tax be adjusted to the capacity of the individual to pay to the same degree as is possible in the case of a tax on incomes. Moreover, all these proposals were examined with great care by the Taxation Committee at the end of last year and they were rejected as unsatisfactory."

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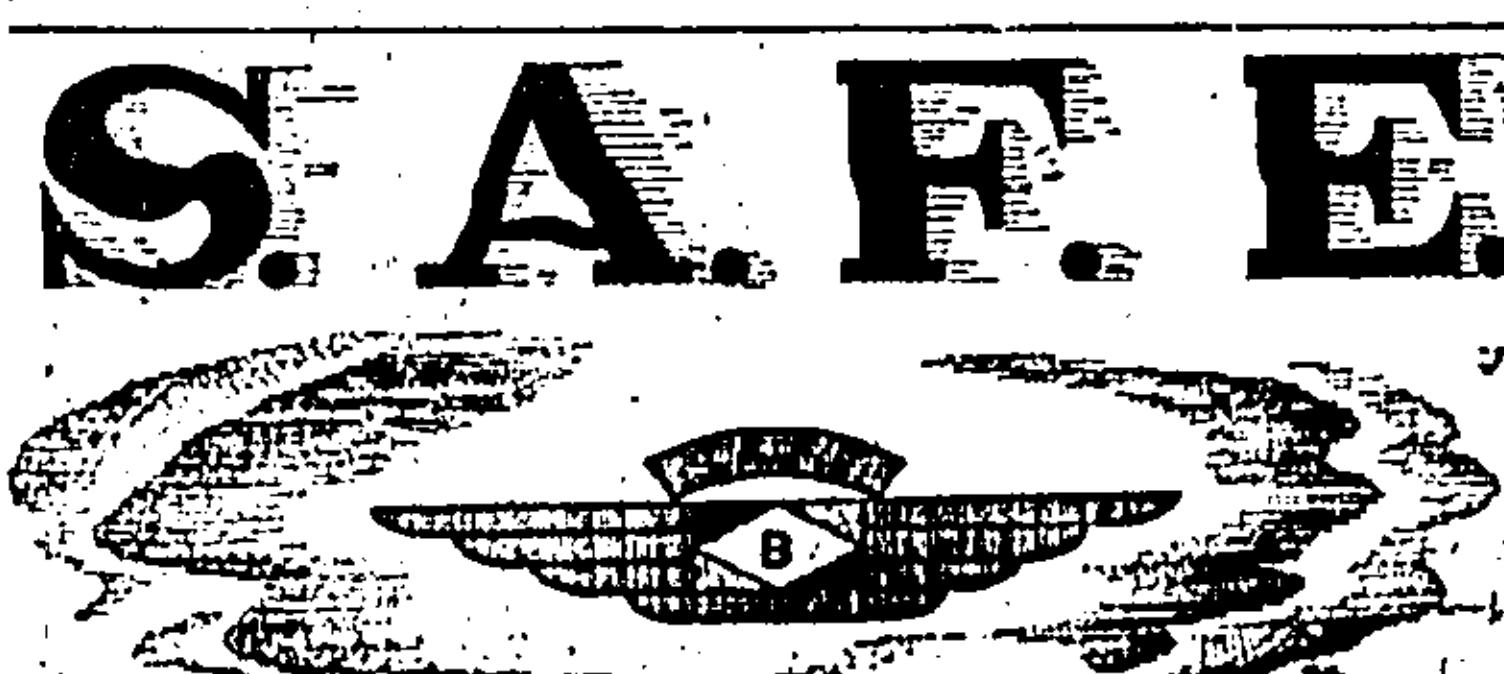
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INCOME TAX
GOES THROUGH

What satisfaction the Government derived yesterday afternoon in securing passage of the Inland Revenue Bill, it is, perhaps, entitled to take. If the main thing was to get it on the statute book, without reference to public feeling, the aim was accomplished, and with a better showing than seemed possible a month ago. Primarily because of the important modifications made on the advice of the Morse Committee, the Bill secured the consent of more Unofficials than the Government had any right to expect. It is, however, important to note that consent was given not without a good deal of reluctance, that heavy doubts and misgivings were given expression, and that none of the Unofficials found themselves able to announce approval, clear and unequivocal. In that attitude they were, in their own way, but reflecting the solid body of opinion within the Colony which in spite of all persuasion persists in the view that expediency has been exploited to its extreme limit, that the measure has been foisted on a community inadequately prepared, and against its consent, that the whole procedure, the manner and the method adopted to push the measure through has directly damaged confidence in the message which H.E. Sir Mark Young heralded on his arrival twelve months ago, assuring the people of this Colony of the Government's intention to give them a greater share in the management of their own affairs. Had things been done in a different way, the reception, we feel sure, would have been more amiable. In the Bill as it now stands, there is nothing reasonably likely to arouse bitter hostility and little open to serious challenge. Curiously enough, the clearest-cut contribution to a favourable hearing came from an Unofficial. Mr. M. M. Watson shared the conviction that the time is inopportune and that postponement of the Bill's operation for twelve months would be for the Government the path of wisdom and discretion, but he also insisted that the most vital consideration in assessing the relative merits of all possible forms of new taxation must be the calculable influence on the cost of living. Nothing recommended as an alternative stands up to this test so well as does the Inland Revenue Bill. The scale of taxation and allowances automatically excludes 95 per cent. of the Colony's wage and salary earners from liability, and probably more than half the Chinese businesses. It is impossible to escape the conclusion that, except perhaps in one or two rare instances, those who have to pay will afford to, and, what is more important, that one of the peculiar merits of "income tax" is that it cannot readily be passed on to third parties. Any addition to indirect taxation would, on the contrary, be immediately reflected in wages and prices, and, as Mr. Watson stressed, a coupling of new imposts with the impending rent increases all over the Colony might well be disastrous to the Colony's internal economy, and to its relative peace and good order. From the three dissentients to the measure, there came little new by way of argument. The suggestion of the Hon. Mr. S. N. Chau that the Bill be accepted with the omission of the provisions for Corporation and Business Profits Tax was novel, but scarcely realistic. In a measure expressly designed to ensure ultimate fairness in the distribution of the necessary burden of new taxation, adjusted as far as possible to the capacity to pay, it would be an extravagant contradiction to exclude the potentially largest revenue-producer, the source offering easiest collection, and the most logically correct of the four taxes included in the framework of the Bill. Obviously, it must either stand as a whole, or fall together. And that, after the Chinese Communist leaders' claim that the Communists had "Government" behind them, is a fact that cannot be overlooked.

The unfeeling state of Europe engrosses public attention to the exclusion of other matters of national importance. The Canton numbers appear, as yet, to have made little impression in Great Britain, except amongst those immediately connected with

China's Dark Fears That Japan Will Rise Again

By ANTHONY ULLSTEIN

Peking, Apr. 30. Dark fears that Japan will rise again are slowly taking shape behind the contours of China in turmoil.

Anxiety over Japan's outstripping China in the political and economic field finds similar expression from Peking in the north to Canton in the south. Japan's own economic woes and political differences find little reflection in the Chinese press. Authoritative assurances that the defeated Japanese have their work cut out just keeping afloat draw little attention.

It is taken for granted—almost instinctively—that the industrious and patriotic Japanese "will get there" somehow.

And it is feared that as the world splits into two hostile camps, Japan—rather than China—will become America's most useful and therefore leading interest in the Far East. One and a half years after

Japan's surrender, the historic victory of 1945 has a hollow ring in Chinese ears.

The ochre-uniformed soldiers that overrun the country during a decade of naked aggression have been repatriated.

The gendarmes and "special service" police that brought stealthy terror to cities and towns have—many of them—been arrested. So have the war criminals. Some have been shot.

The civilian colonizers and carpet-baggers of the "New Order" have left only the former Japanese banks and office buildings as traces of their protracted swarm.

Technicians
Occasionally you meet a pedestrian in Chinese clothes whose gait and toothbrush moustache mark him out as a Japanese. He is one of the technicians kept behind by the Chinese authorities. According to the local police there are 845 such Japanese living in Peking, including women and children.

Travellers from the domain of Gen. Yen Hai-shan of mountainous Shensi Province to the west report that the "Model Governor" has a Japanese military bodyguard to accompany him when he ventures near the fighting zones.

According to press reports a certain number of Japanese artillery and other experts are fighting both on the Nationalist and the Communist side in Shantung Province. These unconfirmed reports also place Japanese soldiers of fortune in Manchuria and in northern Shensi.

Not Far
No foreign visitor worth his salt will leave Peking without a few hours spent in Embroidery Street, where the Japanese repatriates dumped a mouth-watering assortment of gorgous Japanese obj.

Aside from this the Japanese, physically speaking, have taken the long road back across the water to their home islands. Psychologically they haven't gone very far.

The Chinese look at their country and find it being drained by civil strife, economic recession and bad government. Increasingly they regard the Nationalist superstructure as being propped up solely by American aid. They look at Japan and find it at least unfriendly.

A ricksha puller, trotting through the hutongs of Peking, called over his shoulder the other day: "Did you hear that the Japanese have been landed in Tientsin?" I assured him it wasn't true. "They will, though," he con-

tinued. "MacArthur will send them to fight the Kunchantang (Chinese Communist Party). Then the Japanese will be sent to fight the Russians. The Japanese are not afraid of the Russians."

Communist Line
This simple line of reasoning serves Chinese Communist purposes. As Japan shows more signs of recovery Red propaganda may be counted on to picture the United States as grooming the Japanese militarists and zabbatu for use against the Chinese people.

A Chinese professor, discussing Japan, said: "The Kuomintang is very anxious to get Japan to industrial reparations as quickly as possible. But what good will this do in the long run? The reparations will be swallowed up quickly by the civil war. I would not be surprised to see Japanese goods back on the China market shortly. Then we shall doubtless start another anti-Japanese boycott."

"Ay-ah," he sighed ruefully, "it all reminds me too much of 1935."—United Press.

CARNIVAL

By Dick Turner

Oriental Tradition, The Meaningless Of Time,
Does Not Make Easy The Flow Of

Rice For Hungry Millions

that it is helpful to know something of the process whereby paddy comes from up-country to the mills.

Without considering distance, tides, seasons and the obvious limitations of the number of paddy-boat trips in the year, it becomes evident how vast must be the paddy-boat fleet capable of handling even a bare half-million tons.

The Siamese farmer does not complain at the small-like price of the transaction. He is seldom well educated, in some thing of a fatalist, has tilled his little piece of land—as his fathers before him—from time immemorial.

If the paddy-boat owner enjoys an obvious monopoly of the farmer's patronage, it is for the reason that he is enabled to collect the paddy from out-of-the-way places not served by railways or roads, and that his services have the additional advantage of cheapness.

The Master

A shrewd fellow, the boat-owner! Should the prices paid by the millers be regarded as unsatisfactory, he simply stops paying his trade until the market rises, meanwhile turning his hand to transporting something else.

His material needs are very few!

He has no interest in market rates, the price at which he sells his paddy being dependent upon his mood and the urgency of his need for the money.

He keeps no accounts, and certainly has no idea of his overheads.

So long as his year's crop will keep him in the simple style to which he is accustomed, he is content.

The economic life of the Siamese farmer is based, therefore, on barter.

Money is practically nonexistent, his sole excursions into commerce revolving around the small Chinese shopkeeper who runs an establishment known as "The Barn Crum" (literally a dry goods store dealing in edibles), a phenomenon of the East, and not to be compared with the village grocery store.

This Chinese go-between not only sells everything under the sun—from needles to noodles with agricultural equipment as a side-line—but acts as money-lender and depository for the farmer's produce.

Devious Ways

Seldom does he actually buy the paddy when harvested. He does better, getting control of the produce before it is even planted! As he pays no cash, he shares, in one characteristic of his, farmer-neighbour. In that he, likewise, is quite unconscious of overheads. His decision to dispose of the paddy is arrived at in obvious ways and, as he makes a living in and with the community, it is a matter of indifference to him whether he sells or not.

In the event, however, that farmer or shopkeeper decides to dispose of the crop, the paddy-boat owner is called in—a devious step in the long-drawn-out process whereby paddy is delivered to the mills.

The paddy-boat owner is an unconscious autocrat. These men live in their boats, grow up and eventually die in the little craft that ply up and down the waterways.

They buy a little, confirming of paddy, have a small amount there and when they

Memorial
To Unknown
Child

Prague, Apr. 30.

Other wars produced unknown soldiers—this one produced the unknown child.

On May 2, Czechoslovakia will dedicate the world's first monument to the unknown child, an 8-foot-tall little statue in front of the Renaissance Cathedral of the Victorious Virgin in Prague's oldest quarter, "Male Strana."

The statue will commemorate all the thousands of children who died in concentration camps and on war fronts during World War II. For the Czechs it will be a symbol of the "Unknown Child."

Prague's Archibishop Josef Beran fathered the idea last autumn after reading an All Souls Day article dedicated to child victims of the war.

The Unknown Child will stand near Prague's cathedral, the cathedral of St. Vitus, the cathedral of the Unknown Child.

The Unknown Child will stand near Prague's cathedral, the cathedral of St. Vitus, the cathedral of the Unknown Child.

BARCLAY ON BRIDGE

By Shepard Barclay

"The Authority on Authorities"

OBJECT OF
THE GAME

Having your side become the declarer—that is not the object of the game. But players of a certain type bid as if that were the main idea. They seem to resent their opponents getting into the bidding, not realizing that their bidding so merely offers an option. It gives you a choice between trying to beat their contract and trying to make one of your own. In close questions, it is well to bear in mind that always the declarer must take a majority of the tricks to score, whereas, if the contract is two or more, the defense requires only a minority to record points.

West's bid happened to be somewhat shaded for a free bid over South's diamond overcall.

But East could not know that when North stuck in that 2-No Trumps opportunity was knocking at East's door. He could have doubled it on general principles, or else just played against it. Had he done so, a heart opening with proper action later could have got his side three tricks in that suit, one in diamonds, one in spades, and two in clubs—a total of seven, setting the contract two.

East should have realized that two original passers had very slight chance to score when his own partner could make a free bid. But he, hopefully, reached out at 3-Hearts, with the idea that West might go to 4-Hearts. He didn't, however, yet get set a trick by losing two in diamonds and one each in the other suits.

• • •

Tomorrow's Problem

S. Q. 8
H. A. 8
D. 0 7 3
C. A. 8 8 6

S. J. 0 3
H. K. 0 ? 5
D. J. 0 4
C. K. 7 2

N. W. E
H. Q. J. 3 2
S. C. Q. 5

S. K. 0 5
H.

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POLITICAL PENETRATION OF GERMANY BY SOVIETS

John Dulles On Lessons Of Moscow Talks

New York, Apr. 30. John Foster Dulles, American adviser at the recent Moscow Foreign Ministers' conference said today that Soviet leaders are using political penetration "to get the kind of Germany they want."

Dulles, Republican adviser to the U.S. Secretary of State, Mr. Marshall, said in a radio broadcast that the American delegation to Moscow, while disappointed at the conference results, "did not come home empty-handed."

He added: "The next Council of Foreign Ministers disagree and take a recess."

Other Gains

Dulles listed other gains at the Moscow conference as the laying down of the United States policies on Europe which, he said, can be of tremendous value in the future and the "establishment of closer relations with France."

He declared: "We all want Four-Power unity whenever it can be obtained as a reality not as a sham.... The United States delegation was held to a steady course that was largely due to the calm yet strong leadership of Secretary of State Marshall."—Associated Press.

Dulles asserted "in the British—United States zones Soviet influence... is growing rapidly."

From this, he said, the American people should conclude "that we cannot feel complacent merely because, at conferences, we have stopped surrendering our principles."

"Soviet activity is not suspended merely because the

Government has authorized the Viceroy, Lord Mountbatten, to announce that it accepts the obligation to see that European officers and Indian officers in the three special categories of the Indian Civil Service receive compensation for loss of their careers and prospects, consequent on the transfer of power from the British to Indian hands next year.

This was announced in both Houses of Parliament today. The Government also undertakes that members of the Secretary of State services in India, who retire, will be secured in their rights to the leave then due to them.

It is also announced that the Government of India has informed the British Government that it is most anxious to avoid the loss of experienced officers and is prepared to give to those members of the Secretary of State services who continued to serve under the Government of India the same terms as to scales of pay, leave, pension rights and safeguards in matters of discipline as hitherto.

Provincial governments are being asked to give a similar assurance to the officers continuing to serve their provinces.

In the House of Lords, Lord

Listowel, Secretary for India, said

that he hoped to make a very early announcement about compensation for services in Burma.

—Reuter.

May Day Message

Hamburg, Apr. 30. German political leaders at today's meeting of the zonal advisory council were bluntly told by the British Deputy-Chief-of-Staff-Major-General W. A. Bishop, that the recurring food crises in the British zone were mainly the fault of the German authorities.

"It is untrue to assert that the British and United States military governments could get more food for Germany than they do at the moment," General Bishop said.

"The British and American military governments have, during the past two years, made the most strenuous efforts to obtain all possible food imports for Germany, and they are continuing them."

The volume obtained is limited only by the ability to get goods, and not by financial considerations—in spite of the crushing burdens imposed in this way on the British and American taxpayers.

Hampered

"I must tell the zonal advisory council quite clearly that the efforts of the two military governments are at present seriously hampered because the authorities responsible for the distribution of grain to the hungry world know that Germany lags behind the expected deliveries by her farmers of home-grown grain and, indeed, of all home-grown food."

Saying that the necessity to keep the normal ration at the level of 1,650 calories was "very regrettable," General Bishop said that part of the cause was the existence of the black market.—Reuter.

Four coolies were each fined \$25 (or three weeks' hard labour) by Mr. d'Almeida at Central yesterday for avoiding payment of tram fares on a tram near the Taikoo Dockyard on Wednesday.

Two men, 29, shop lifters, in the ball of 900 arrested by Mr. Salterbury at Central yesterday for shoplifting with nothing but their shirts off, were charged before Mr. Justice Perry yesterday.

LESS SCOTCH AT HOME

London, Apr. 30. Britain will go drier than ever tomorrow when more Scotch whisky is taken off home sales to go in search of hard currency.

The actual reduction puts the domestic supply at one-quarter of the amount distributed in 1939, or about one-half of the present allocation.—Reuter.

Position Of India's Civil Servants

London, Apr. 30. The Government has authorized the Viceroy, Lord Mountbatten,

to announce that it accepts the obli-

igation to see that European of-

ficers and Indian officers in the

three special categories of the

Indian Civil Service receive com-

pensation for loss of their careers

and prospects, consequent on the

transfer of power from the Bri-

tain to Indian hands next year.

This was announced in both

Houses of Parliament today. The

Government also undertakes that

members of the Secretary of State

services in India, who retire, will

be secured in their rights to the

leave then due to them.

It is also announced that the

Government of India has informed

the British Government that

it is most anxious to avoid the

loss of experienced officers and

is prepared to give to those mem-

bers of the Secretary of State

services who continued to serve

under the Government of India

the same terms as to scales of

pay, leave, pension rights and

safeguards in matters of dis-

cipline as hitherto.

Provincial governments are be-

ing asked to give a similar assur-

ance to the officers continuing to

serve their provinces.

In the House of Lords, Lord

Listowel, Secretary for India, said

that he hoped to make a very

early announcement about com-

pensation for services in Burma.

—Reuter.

BLUNT STATEMENT TO GERMAN LEADERS

Hamburg, Apr. 30. German political leaders at today's meeting of the zonal advisory council were bluntly told by the British Deputy-Chief-of-Staff-Major-General W. A. Bishop, that the recurring food crises in the British zone were mainly the fault of the German authorities.

"It is untrue to assert that the British and United States military governments could get more food for Germany than they do at the moment," General Bishop said.

"The British and American military governments have, during the past two years, made the most strenuous efforts to obtain all possible food imports for Germany, and they are continuing them."

The volume obtained is limited only by the ability to get goods, and not by financial considerations—in spite of the crushing burdens imposed in this way on the British and American taxpayers.

Hampered

"I must tell the zonal advisory council quite clearly that the efforts of the two military governments are at present seriously hampered because the authorities responsible for the distribution of grain to the hungry world know that Germany lags behind the expected deliveries by her farmers of home-grown grain and, indeed, of all home-grown food."

Saying that the necessity to keep the normal ration at the level of 1,650 calories was "very regrettable," General Bishop said that part of the cause was the existence of the black market.—Reuter.

Four coolies were each fined \$25 (or three weeks' hard labour)

by Mr. d'Almeida at Central

yesterday for avoiding payment of

tram fares on a tram near the

Taikoo Dockyard on Wednesday.

Two men, 29, shop lifters, in

the ball of 900 arrested by Mr. Salterbury at Central yesterday for shoplifting with nothing

but their shirts off, were charged

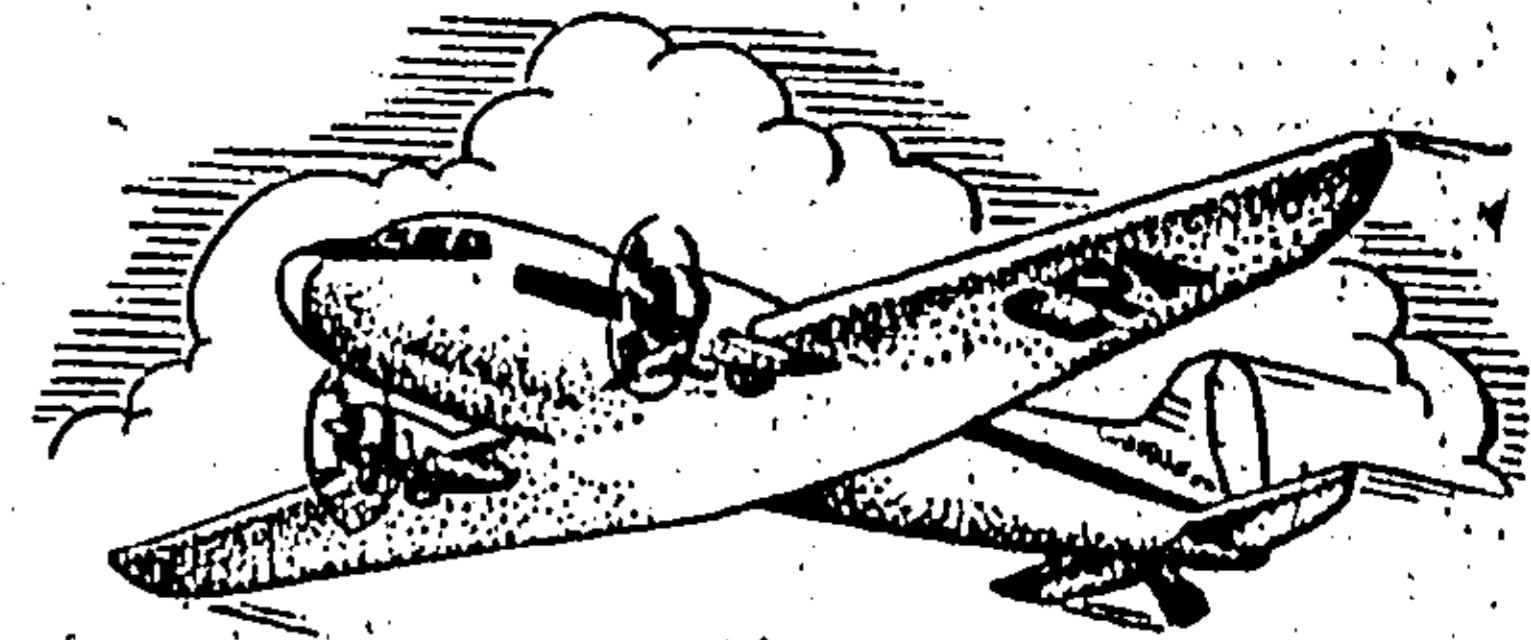
before Mr. Justice Perry yesterday.

—Reuter.

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Ship m.s. "TJITJALENGKA" Shanghai & Amoy,
Arr. May 12th May.

Ship m.s. "TIJISADANE" due from Macassar/Bourbays/
Remarks/latavia, on or about 19th May. Sailing for
Amoy & Shanghai on or about 20th May.

Ship m.s. "TJIBADAK" Kobe, on or about 20th May. N.E.L. ports, on or about 22nd May.

ROYAL PACKET NAVIGATION CO., LTD.
(ORIENT JAVA AFRICA LINE).

Ship m.s. "TJIPONDOK" due from Shanghai 5th May. sailing for Manila, Singapore, Batavia, Mauritius, Lourenco Marques, Delia, Durban, East London, Port Elizabeth, Cape Town, Montevideo, Montevideo, Santos, Rio de Janeiro, Buenos Aires.

Cargo accepted on through Bill of Lading to Dar-Es-Salaam, Zanzibar, and Mombasa.

Ship m.s. "TEGELBERG" In port Shanghai 10th May.

Ship m.s. "TEGELBERG" Shanghai 17th May. Loading for South Africa and South America 17th May.

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Ship m.s. "VAN HEUTSZ" Bus from Batavia, Penang & Singapore on or about 8th May. Sailing for Amoy & Shanghai on or about 10th May.

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Ship m.s. "HOPERIDGE" New York, S. Francisco & Vancouver, May/June. U.S. Atlantic ports, early June.

HOLLAND-EAST ASIA LINE

Ship m.s. "THORBECKE" due from Shanghai May 10th. Loading for Singapore/Colombo/Port Said/Antwerp/Genua/Marseille/Rotterdam/Amsterdam/Hamburg/Copenhagen/Gothenborg/Oslo. May 10th.

Ship m.s. "BREDERO" Europe May 1st. Singapore/Colombo/Port Said/Antwerp/Genua/Marseille/Rotterdam/Amsterdam/Hamburg/Copenhagen/Gothenborg/Oslo. Early June.

Ship m.s. "LORENTZ" Europe end May. Manila/Singapore/Colombo/Batu/Port Said/Genua/Marseille/Antwerp/Rotterdam/Amsterdam/Hamburg/Copenhagen/Gothenborg/Oslo, second half June.

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FOR SINGAPORE, PENANG & RANGOON;
HONG KHENG" (S.S.) to 16th about 8th May
will sail on 16th May.

Projecting to 16th May.

FIRST EFFECTS OF BANK OF ENGLAND NATIONALISATION

(By Sydney Campbell)

London, April 30. The nationalisation of the Bank of England today produced its first visible effect. For the first time since its establishment in 1694, the Bank has issued an annual report.

A feature of the report, which is for the year ended February 28, 1947, is a review of Britain's external finance during that year. It lists the monetary agreements or other arrangements with the United States, Argentina, Austria, Belgium, Canada, Egypt, France, Hungary, Iraq, the Netherlands, Portugal, Sweden and Switzerland.

It noted that "most of the recent monetary agreements have provided for the use of sterling (by agreement of the contracting parties) for payments between the other countries concerned and places outside the sterling area."

For example, from the date of the Anglo-Argentine agreement last September, "all sterling received by Argentina (including the interest on the pre-agreement accumulated balances) was made freely available for payment of current transactions."

Under the subsequent agreement (subject to ratification) for the sale of the British-owned Argentine railways, "the agreed purchase price should absorb the whole of the outstanding accumulated balances, plus a substantial part of Argentina's current sterling receipts."

The report said that applications relating to the use of sterling outside the sterling area had been "increasingly numerous and a wide range of them has been permitted, in many cases with advantage to the United Kingdom international merchanting business. The necessary financial arrangements were made in May for the reopening of an international coffee market and in November for the reopening of the London rubber market, both on a basis of sterling payments."

The report recalled also the introduction, on February 27, of transferable accounts "in order to facilitate as wide an extension as possible" of the field over which people outside the sterling area can use their current sterling accruals. This is the method by which Britain is anticipatorily fulfilling her obligation under the Anglo-American loan agreement, to make current sterling expenditure for current payments as from July at the latest.

Freely Transferred. Subject only to a report to the Bank of England, current sterling in "transferable accounts" can be freely transferred anywhere in an area which compromises the United States, Central America, Argentina, Canada and Newfoundland, the entire sterling area and the Belgian, Netherlands and Portuguese monetary areas. "In order to ensure that these transfer facilities are used only in respect of current transactions, the new designation has been applied only to those accounts which the monetary authority or exchange control in a particular country is prepared to super-

intend," the report said.

The main turnover in the market for British funds was "in short-dated stocks where there was quite a considerable turnover but the market was generally flatter."

In foreign markets, rose further two points but Japan was hesitant. The feature among Europeans was a further sharp rise in Fixed Savers.

Industrial turned a trifling irregular dealings with tobacco dull but breweries were harder.

Oils were well supported throughout the day, and thus closed firm with India taking more interest in that market, but rubber remained dull.

South African gold shares were quietly steady but coppers were inclined to lose ground.

Reuter.

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 "SINGAPORE" Singapore 4 p.m. 3rd May
 "HUEIPEI" Shanghai & Tientsin 4 p.m. 3rd May
 "TSINAN" Swatow 2 p.m. 6th May
 "SHENGKING" Shanghai 4 p.m. 6th May
 "POYANG" Bangkok 4 p.m. 6th May
 "FENGTIONG" Singapore, Batavia, Sourabaya & Macassar D.L. 9th May

ARRIVALS FROM

"TSINAN" Swatow 3rd May
 "SHENGKING" Shanghai 3rd May
 "KWEIYANG" Bangkok, Saigon & Swatow 11th May
 "HUNAN" Tientsin, Shanghai & Fuchow 12th May

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 "GLENAFFARIC" do Early June
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 "CALCHAS" Liverpool 8th May
 "STENTOR" Genoa, Marseilles, Havre, Liverpool, Glasgow via Port Said. June

NEW YORK SERVICE

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Agents: Australian-Oriental Line, Ltd.

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New Orleans	25th May	mv. "BALI"
Pacific Coast	(7th May)	mv. "DONA TRINIDAD"
Shanghai	28th May	mv. "TRAVANCORE"
		mv. "HAINAN"
		mv. "MANGALORE"

SAILINGS

For	Date	Vessel
Atlantic Coast	(4th May)	mv. "HALLAND"
	(20th May)	mv. "DONA ANICETA"
	(30th May)	mv. "DONA TRINIDAD"
Pacific Coast	31st May	mv. "MANGALORE"
Shanghai	5th June	mv. "BALI"

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MS. "SALLY MAERSK" July 20

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MS. "SALLY MAERSK" Middle May

MS. "LAURA MAERSK" End June

STORY OF ALLEGED FRAUD
Court At Fortune-Tellers In Court

Mysticism, black-magic, and almost incredible credulity and childlike faith in the powers of fortune-tellers to invoke the aid of the gods

form the nucleus of what DS. J. M. Forrest alleged was one of the most astounding frauds perpetrated by two fortune-tellers on three gullible women when Wong Tak alias Wong Chuen-yan and Ting Kin-kwan alias Wong Sang appeared before Mr. W. H. Latimer at Kowloon yesterday on eight charges of false pretences, conspiracy to fraud and fortune-telling between Nov. 24, 1946 and April 1, 1947.

Wong Tak, alleged to be a bearded monk, and Ting Kin-kwan, a fortune-teller of 479 Shanghai Street, first floor,

were accused of falsely representing to Wong Hei-chuen that they had the power to rid her husband of the evil spirit responsible for his bad fortune and to restore a large fortune to him, conspiracy to defraud her of \$1,000 between Nov. 24, 1946 and April 1, 1947; and fortune-telling.

Major A. S. Moody, R.A.M.C., said he made out a certificate which he handed to Capt. Digras, of the Graves Concentration Unit, in which he had stated that a human skeleton shown him on April 29 was more likely to be that of a Chinese than a European.

Witness said he was told the set of bones were found in a well at 16 Shouson Hill. Judging from the size and weight of the bones, the skeleton indicated a person of very light build and below 5 feet 4 inches in height, probably a Chinese. Questioned by the Court, he agreed it might be possible that the bones of a European of small build could be confused with that of an Asiatic.

He had certified that he was of the opinion that these bones did not belong to a person of European nationality and had assumed that they were the bones of a Chinese.

The Court visited the Repulse Bay area again yesterday morning when accused pointed out to the Court the direction of the Japanese offensive toward Repulse Bay Road and the route by the pipeline which he had followed downhill.

He also led the Court to the spot where he had come upon land-mines at the Repulse Bay and Island Road confluence and the place on the road where he met the commander of a Japanese anti-tank unit during the operations.

The Court sits again on Monday morning.

Premiere At King's

Among those attending last night's gala premiere of "A Master of Life and Death" at the King's were:

His Excellency the Governor, Lady Young, Miss Young, Mr. A. Todd and Lieutenant R. B. Parke, H.R.N.R.V.R., Vice Adm. Sir Dennis Boyd, K.C.B., C.B.E., D.S.C., Lady Boyd, Miss Webster and Lt. Hugh Gibson, Commodore D. H. Everett, C.B.E., D.S.O. and Lt. Diamond, Brigadier H. F. C. Rogers, Capt. Dr. Win (ADC), Air Commodore S. N. Henry Blackall, Mr. Justice E. H. Williams and Mrs. Williams, Hon. Mr. D. M. MacDougall, C.M.G., Hon. Mr. J. B. Griffin and Mrs. Griffin, Hon. Mr. A. Morris, C.B.E. and Mrs. Morris, Hon. Mr. D. F. Lanigan, Col. E. N. Clarke, Miss R. Wadeon, Lt.-Col. and Mrs. M. L. Reynolds, Hon. Mr. and Mrs. M. K. Lo, Hon. Mr. and Mrs. T. N. Chau, Hon. Mr. and Mrs. S. S. Follows and Miss. Victor Kenniff, Hon. Mr. and Mrs. D. W. MacIntosh.

The present trial adjourned to May 8.

Continuing, Wong declared that the "monk" told them that the husband was beset by ill fortune and that the couple had to appease the devils with burnt offerings. The cost of this apportionment, according to witness, was the modest sum of \$150 which she, in her anxiety to protect her husband, paid some days later.

The power of these evil spirits was, according to witness, revealed when he told them that whilst worshipping at Castle Peak the "holy lamp" was blown out. He declared, alleged witness, that such powerful spirits could only be appeased by more prayers and sacrifices, the cost of which would be in the region of \$540.

When she doubted the ability of the "monk" to invoke the aid of the gods, after he had asserted that another \$4,000 were needed for extra prayers said witness, he performed two "miracles" to allay her doubts. The first of these was the mysterious appearance of the characters representing the names of herself, her husband and her dead daughter, and a drawing of a dishevelled devil on a blank piece of paper after it had been sprinkled with water.

Council adjourned to May 8.

OFFERED BRIBE

Pleading guilty to offering a bribe of \$50 to Tseng Kam-hung, clerk of the I. & E. Department, on April 29, Yu Tung-sang, 61, was fined \$300 or three weeks' hard labour by Mr. Sainsbury at Central yesterday. The \$50 was ordered to be donated to the Poor Box. According to Mr. Humphreys, defendant offered the money to the clerk when he wanted to apply for a license to sell tobacco.

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 S.S. "DUKSANG" to Saigon & Rangoon p.m. 7th May
 S.S. "KWAISANG" to Straits & Calcutta p.m. 12th May
 S.S. "EMPIRE FRASER" to Keeling, Shanghai & Tientsin a.m. 14th May
 S.S. "WOSANG" to Foochow & Shanghai 24th May**ARRIVALS**S.S. "KWAISANG" from Calcutta & Straits 6th May
 S.S. "LOKSANG" from Kobe (Japan) 7th May
 S.S. "EMPIRE FRASER" from Bangkok 12th May
 S.S. "WOSANG" from Straits, Shiu & Sandakan 22nd May
 S.S. "ESANG" from Straits & Calcutta 22nd May

Cargo accepted on Through Bills of Lading for MADRAS via Singapore and for KEDAT, JESSELTON, LABUAN, TAWAU, LADHAU-DATU and SEMPERNA via Sandakan.

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Managing Agents: AUSTRALIA CHINA LINE
S.S. "HANGSANG" Due from Sydney — End May.

M.V. "HINDUSTAN" Now loading at Sydney, Melbourne, Adelaide and Whyalla for Shanghai and Hongkong Due Mid June.

Agents: THE WESTERN CANADA STEAMSHIPS LTD.
S.S. "LAKE SHAWNIGAN" Loads for Vancouver early June if sufficient inducement.**Pacific Transport Lines Inc.**
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CHINA MAIL

HONG KONG, FRIDAY, MAY 2, 1947.

TERRORISM IN COLONY Chief Justice On Need For Severity

"Both these men were acting on behalf of an abominable organisation calling itself the 'Overseas Youth Action Organisation,' and which is engaged in blackmailing and terrorising restaurants in Hong Kong by threatening to bomb them. Fortunately, owing to the co-operation between the Police in Canton and the Police in Hong Kong, this organisation is being crushed, but it is very necessary that when anybody helping it comes before the Courts, he be dealt with the utmost severity."

These remarks were made by Sir Henry Blackall, Chief Justice, yesterday when he passed sentences of 18 and 10 years imprisonment with hard labour on Li Chu and Chan Piu (alias Li Kwok-kong) respectively.

The accused were charged with both these men were acting on behalf of an abominable organisation calling itself the 'Overseas Youth Action Organisation' and explosive substance and demand which is engaged in blackmailing and terrorising restaurants in Hong Kong by threatening to bomb them.

Fortunately, owing to the co-operation between the Police in Canton and the Police in Hong Kong, this organisation is being crushed, but it is very necessary that when anybody helping it comes before the Courts, he be dealt with the utmost severity.

First accused, who had pleaded guilty as charged, was not legally represented.

Outlining the case for the Crown, Mr. Lonsdale said that on Feb. 21, a party of police, in Canton boarded a train bound for Hong Kong at the Canton Railway Station and kept under observation two persons.

At Shum Chun, on the border, another party of police boarded the train and kept these two suspects under observation until the train reached the Kowloon Railway Station. After passengers disembarked, they were subjected to the usual search.

Letters Found

As the two left the train, they were seized by detectives. Second accused was found to have 27 letters in his girdle. From the first accused, a newspaper parcel was taken. In a tin containing Chinese tobacco, a detonator was found. A brilliantine tin, with a quantity of yellow powder concealed under the brilliantine was also found. In a shoe of the first accused, a letter, written in Chinese and demanding money with menaces, was found. The 27 letters found on second accused were also letters demanding money with menaces. The newspaper parcel taken from first accused was found to contain starch. The yellow powder found concealed under the brilliantine was found, on analysis, to be an explosive substance.

The letters were not written by accused, but in second accused's possession a paste board, which had certain words which were contained in the 27 threatening letters, were in the handwriting of second accused. The 27 letters all contained a stamp which bore Chinese words which, translated into English, roughly meant: "Union Young Men's Club By Order ruin British Government Foreigners Control." All letters bore the wooden chop of the "Overseas Youth Action Organization."

The letters were addressed to restaurants and places to which the public resorted and the threat was to cause an explosion on the premises in failure to make payment of the money demanded.

Council's Plea

Mr Luk-pan, of 25 Village Road, 1st floor, merchant, was called as a witness on behalf of the second accused. He said that the second accused, although poor, was very honest.

Replying to Sir Henry, Ma said that second accused was introduced to him in the 12th Month last by mutual relative. When he saw accused, the latter did not say that he intended to join the Overseas Youth Action Organization.

In a plea for leniency on behalf of the second accused, Mr. Hin Shing Lo said that nothing could be said to reduce the enormity of the charges with which second accused was charged. Second accused had allowed himself to be used for doing evil things and must accept responsibility for his actions.

In mitigation, Mr. Hin Shing Lo pointed out that second accused was only 20 years old and it was not difficult to understand his sudden fall into temptation, which could be traced back to the fall of Canton in 1933.

Mr. Lo said that he was not making an appeal for leniency on behalf of himself and Minister of Finance, but he appealed for mercy on behalf of a very simple minded young man of ignorant youth who had been led over the pitch of a very dangerous character and was easily influenced.

INLAND REVENUE BILL

(Continued from Page 5)

much more equitable will be the results!

Sales Tax

"Then there is the Sales Tax. This proposed tax was not introduced in the United Kingdom primarily as a revenue-producing measure but rather to restrict the demand for consumer goods at a time when they were in very short supply.

In England the tax is collected through the wholesalers—but this would not be practicable here and it would be necessary to rely on collection through retailers.

"The opportunities for evasion would be extensive and there would be far more incentive than in the case, say, of the restaurant meals tax in respect of which large-scale evasion is nevertheless being practised.

Moreover, if a general rise in the already extravagantly high cost of living were to be avoided it would be necessary to exempt a long list of articles which could be regarded more or less as necessities.

"If Honourable Members will consider for a moment what proportion of their normal purchases are not really necessary and were to be an excuse in a crime of this sort, this organization would be very happily placed, because there is no lack of poor youths in China.

"The maximum sentence for the offence which the first accused has pleaded guilty to is 20 years imprisonment. The only thing that can be possibly said in his favour is that he pleaded guilty and did not waste the time of the Court. For that reason and that reason alone, I sentence him to 10 years imprisonment, on the second count. On the other counts, I sentence him to ten years' imprisonment, the sentences to run concurrently.

"The second accused is discharged on 1st, 2nd, 4th and 5th counts, as the Crown has offered no evidence. With regard to the third count, it may be that he knew nothing about this organization when he was first approached, but it is clear from his statement that he knew all about it at the time he was bringing the letters down. However, he has given some information which the learned Crown Counsel says may prove useful.

"Of course, it is always our policy to encourage criminals to 'split' on one another. The maximum sentence for this offence is 14 years' imprisonment, but in view of the information he has given, I sentence him to ten years' imprisonment with hard labour."

S. Africans' Fine Start

London, May 1.

The South African XI made an impressive start to their tour in getting Worcestershire out for 202 and scoring 50 for one wicket at Worcester on Wednesday.

In bitterly cold wind interspersed with showers, the South Africans (who probably would have preferred to be sitting around a fire) made several fielding errors but they played well enough to suggest that they will be a hot proposition when the sun gets on their backs.

Athol Rowan, a slow-left-arm off-spinner, took five Worcestershire wickets for 59 runs and the County, who lost their first 6 wickets for 87, would have been in a sorry mess but for a fighting knock of 79 from Bird who received solid support from tallenders Jenkins and Yarnold. Bird, an amateur, grooved and cut splendidly.

Batting after rain stopped which unseated them, the South Africans lost Bruce Mitchell very cheaply but Ken Dyer, a batsman new to English conditions—batted steadily until rain stopped cricket for the day.

Wilson brought off some delightful volleys late before the closing of the day, with two exceptions they are of a very poor character and are not likely to be followed up.

Revolt Or No Revolt?

Batavia, May 1.

Premier Sjahrir characterized as nonsense today reports published abroad that the Sundanese of West Java had revolted.

Sjahrir said he travelled through the Sundanese country for 12 hours enroute from Jakarta to Batavia and "every thing was completely peaceful."

Both said there were no signs of any uprising or unrest.

A Republic spokesman has said that the Sundanese had revolted against the colonialists.

"There are no reports of any thing but normal peaceful conditions with the Sundanese country,"—Associated Press.

Some sections of the Bill as a company is referred to as a corporation and in others as a company. We propose to standardise to 'corporation.'

"Then there is an amendment designed to prevent a non-resident possessing a few Hong Kong shares from recovering the tax paid by claiming the full personal allowances which, of course, would be quite unjustifiable: And, finally, there is one designed to promote equity as far as possible in the valuation for purposes of tax of accommodation either free or as a reduced rental provided by an employer either in a hotel or in a house or flat."

H.E. THE GOVERNOR

"It falls to me to wind up a debate to which all of us have been looking forward for some time past not only with interest and expectation but also with a determination to do justice to the important subject which we are dealing with which we are dealing and between us to represent the diverse views and each one of us to serve what we conceive to be the best interests of the people of this Colony. And since it is very possibly the last debate and almost certainly the last debate of importance in which I shall participate in this Council may I say that Honourable Members, both official and unofficial, who have taken part in the debate seem to me to have fulfilled most thoroughly the intentions which I have ascribed to them.

"There are four fundamental questions which have had to be considered by the Government and which have to be considered by this Council in connection with the subject matter of this Bill.

"They are:

"Firstly—Is the additional revenue which we seek to raise really required?

"Secondly—If additional revenue is really required is this a fair and appropriate method of raising it?

"Thirdly—If the method is in itself fair and appropriate is it in fact practicable?

"Fourthly—if it is fair, appropriate and practicable is this the right time to introduce the measure?

Clear Need

"On the first question, whether the revenue is necessary, I need not add much to what has already been said by others and by myself. We have set out in the Estimates of Expenditure to which this Council has assented the actual expenditure which it is agreed that the Colony requires to meet during the financial period; and it is perfectly clear from a study of the figures that in order to meet that estimated expenditure additional revenue is required. It is moreover clear—and this is a point which I have been glad to hear endorsed in the course of this debate—that should the year's working prove favourable beyond our present expectation, so that an actual surplus accrues, our commitments and our great needs are such that this present Council will not need to fear the future reapproach either of an embarrassed Legislative Council or of an unnecessarily despised body of taxpayers."

"Secondly—is this the fairest and most appropriate method of raising the revenue?

"Of course, when the first question has been answered

Ghetto Chief To Die

Prague, April 30.
Karl Rahn, Nazi SS commander of the Terezin ghetto north of Prague was today sentenced to death by the Prague People's Court. The photo was used as a concentration camp for Jews, thousands of whom passed through on their way to death camps in Poland.—Reuters.

question lends us at once into the fascinating field of enquiry, if the word 'fascinating' may properly be used in connection with taxation, the enquiry into possible alternative methods of raising the money.

Fairest Method

"It has been a large field with many well-backed entrants. My Hon. Friend Dr. S. N. Chau will allow me to describe as one of the distinct favourites the method which he so ably advocated, the method of a lottery; but it is not necessary for me to go through them in detail. My Hon. Friend the Financial Secretary has dealt very comprehensively with the various suggestions that have been made and with the intrinsic merits of the form of direct taxation which is now proposed by Government.

"After much consideration of

this question, after studying the numerous proposals that have been put forward and after hearing the Financial Secretary's able and thorough exposition I am left, and I trust this Council is left, with the conviction that the method which we are considering in this Bill is the fairest and the most appropriate expedient which could have been brought before this Council at the present time for establishing our financial structure on a proper basis and for meeting the Colony's needs."

"And the third question, the question whether it is workable, has been dealt with by my Hon. Friend the Colonial Secretary. He has made it very clear that we are alive to the difficulties and that we do expect to be able to surmount them without shutting our eyes to the municipality itself. And to some extent the same is true also of the expenditure which is controlled by this Council.

"There is within the frame

work of our Estimates a very considerable degree of latitude; and it is open to the Legislative Council and to the Finance Committee of the moment to exercise its influence on the expenditure of the Colony at all times in the financial year, and not only at the moment of the passing of the annual estimates,

so that much of the original yield of this year's tax and of the surplus which in the opinion of some it is going to produce, together with the surplus yielded in future years will be expended in accordance with the views and wishes of the reconstituted Legislative Council.

"And for the rest, honourable

members, if a further justification is needed for the present actions and the financial policy of the Government and of this Council, I have only this to say:

Closing No Door

"We are on the eve of constitutional changes. A municipality is to be set up, and certain changes in the constitution of this Council are contemplated. Both of these changes are designed to give the people of Hong Kong a fuller share in the management of their own affairs. Would it not be better, it is asked, to leave it to the new Municipal Council and to the new Municipal Council to decide both on the manner in which taxation is to be levied, and also on the manner in which the money so raised is to be expended?

"Honourable members, we are closing no door. I do not myself suppose, and I do not think that any member of this Council can suppose, that the Legislative Council of Hong Kong is to be the best interests of the people of this Colony. And since it is very possibly the last debate and almost certainly the last debate of importance in which I shall participate in this Council may I say that Honourable Members, both official and unofficial, who have taken part in the debate seem to me to have fulfilled most thoroughly the intentions which I have ascribed to them.

"There are four fundamental

questions which have had to be considered by the Government and which have to be considered by this Council in connection with the subject matter of this Bill.

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"Fourthly—if it is fair, appropriate and practicable is this the right time to introduce the measure?

The Timing

"And so far as the purposes

of our expenditure are concerned, let me call attention to the Council that such specific provisions as have been made

in our 1947/8 estimates for expenditure by the newly constituted municipality has not been allocated to any specific purpose.

We know, of course, that the Municipal Council is going to be responsible for meeting during the financial period; and it is perfectly clear from a study of the figures that in order to meet that estimated expenditure additional revenue is required. It is moreover clear—and this is a point which I have been glad to hear endorsed in the course of this debate—that should the year's working prove favourable beyond our present expectation, so that an actual surplus accrues, our commitments and our great needs are such that this present Council will not need to fear the future reapproach either of an embarrassed Legislative Council or of an unnecessarily despised body of taxpayers."

"Secondly—is this the fairest and most appropriate method of raising the revenue?

"Of course, when the first question has been answered

Derby Favourite Wins In A Canter

Newmarket, Apr. 30.

Tudor Minstrel, favourite for this year's Derby, was in a class by himself over a distance of one mile by cantering away with Britain's first classic, the Two Thousand Guineas, here this afternoon.

It was a case of the Minstrel first and the rest nowhere, although the second and third finished so close together eight to ten lengths behind the winner that the Judge had to ask for the photograph before deciding that Princess Maharaja Gaekwar of Baroda's Sayajirao, more popularly known as "Young Dante," by a shirthead.

While unbent Tudor Minstrel fulfilled all things spoken

of him as one of the greatest colts of all time, his chief rival, Sir Alfred Butt's Petition, failed dismally. He dashed into the tapes and unseated the jockey before the race to come into operation in the year 1947/8.

Much Latitude

"The Government concurred

in the need for thorough and expert examination; and as this Council knows that examination and the consequent amendment of the Bill were completed before the Bill was read a first

time a week ago.

"I have already expressed the debt of obligation which we owe to the Committee which undertook this important and difficult task. The work was done with remarkable thoroughness as well as with remarkable expedition.

"After much consideration of

this question, after studying the numerous proposals that have been put forward and after hearing the Financial Secretary speak for the first time, I trust that the whole matter ought to be deferred for a whole year.

"The other grounds for de-

ferment which have been put forward both in the course of this debate and outside this Council are these.

"The point is what we are now providing, and of course all that we hope to provide in the future, will fail to be ex-

pended in accordance with the wishes and the views of the reconstituted Legislative Council.

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